Par. 8.2.1.1.52
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Monday,
4th May, 1953

सत्यमेव जयते

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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NEW DELHI

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Monday, 4*th May*, 1953

The House met at a Quarter Past Eight of the Clock

[MR. DEPUTY-SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

COLONIES FOR DISPLACED PERSONS IN BIHAR

*1796. **Shri S. C. Samanta:** Will the Minister of **Rehabilitation** be pleased to state:

(a) how many colonies have been set up up-to-date for East Bengal displaced persons in the State of Bihar;

(b) the number of displaced persons in those colonies as on 31st December, 1952; and

(c) the names of places where the colonies have been set up?

The Minister of Defence Organisation (Shri Tyagi): (a) 18.

(b) 4,792.

(c) A statement is laid on the Table of the House. [*See* Appendix XI, annexure No. 6.]

Shri S. C. Samanta: May I know whether other displaced persons are receiving rehabilitation benefits over and above those persons who are settled in colonies?

Shri Tyagi: In Bihar, rehabilitation benefits have been given to 35,711 persons, and obviously, people other than those who have been rehabilitated in these colonies have received the benefits.

Shri S. C. Samanta: May I know whether in these colonies primary schools and vocational or technical training schools have been started as yet, and if so, may I know the number?

Shri Tyagi: I regret I have not got detailed information. But I presume that some primary schools must have been started. I am not quite sure about it. I will give the information to the hon. Member if he gives me notice.

PART 'C' STATES

*1797. **Shri M. L. Dwivedi:** Will the Minister of **Home Affairs** be pleased to refer to the reply to unstarred question No. 189 asked on the 19th February, 1953 and state:

(a) how and by what time Government propose to implement the proposals formulated by the Chief Ministers of Part 'C' States who met in Delhi in the first week of January, 1953; and

(b) the changes desired by the Part 'C' States Chief Ministers Conference in the Constitutional sets-up of these States?

The Deputy Minister of Home Affairs Shri Datar): (a) and (b). The Chief Ministers discussed certain matters in which they were experiencing administrative or other difficulties. These matters have been and are being examined in consultation with the Governments of the Part 'C' States. The question of amending the Government of Part 'C' States Act, 1951 to settle certain issues which could not be resolved by executive action is under active consideration.

Shri M. L. Dwivedi: May I know whether the issues or the difficulties involved are uniform in all the States, or they are different in different States? Also, may I know what time is likely to be taken in giving effect to the proposed measures?

Shri Datar: Some issues are common and some are special so far as the different States are concerned. The matter is being expedited.

Shri N. Somana: May I know whether there is any idea of giving greater financial control to the Part C States?

Shri Datar: There is a proposal to that effect, but the question is being considered by the Finance Ministry also.

Shri Gidwani: Are Government aware that the new proposals of the Chief Ministers' Conference will involve more expenditure?

Shri Datar: It is not clear whether they will involve more expenditure but if it comes to that, the question will be considered—provided efficiency is achieved.

Shri Gidwani: Has not the States Minister stated that if Part C States go on spending money like this the question will have to be considered whether they should be continued or they should be abolished?

Shri Datar: The statement has not been made by the States Minister in the way in which the hon. Member has put it.

Shri M. L. Dwivedi: Will the hon. Minister lay on the Table a copy of the recommendations of the Chief Ministers' Conference?

Shri Datar: We shall consider it.

सरदार ए० एस० सहगल : क्या मंत्री महोदय यह बतलाने की कृपा करेंग कि पार्ट सी स्टेट्स जिनकी सालाना आमदनी कम है उनके बारे में क्या विचार किया जा रहा है ?

Shri Datar: The Government of India recommend grants, because the ultimate responsibility is on the Central Government so far as the Part C States are concerned.

सरदार ए० एस० सहगल : क्या पार्ट सी स्टेट्स को, जिनकी कि आमदनी कम है, सरकार जो पास की स्टेट्स है उनम मिलाने की कृपा करेगी ?

Mr. Deputy-Speaker: It is a sugges- of policy.

Mr. Deputy-Speaker: It is a suggestion for action.

Shri N. M. Lingam: May I know the specific difficulties experienced by the Part C States?

Shri Datar: There are numerous questions beginning from the appointments of personnel and control of service down to the establishment of a common High Court and a common cadre. There are also certain procedural difficulties experienced by them. Government are doing whatever is possible, so far as executive action is concerned, immediately. The question of amending the Part C States Act is also under consideration.

राष्ट्रीय पुस्तकालय, कलकत्ता

*१७१८. **श्री एम० एल० द्विवेदी** : क्या शिक्षा मंत्री यह बतलाने की कृपा करेंगे :

(क) राष्ट्रीय पुस्तकालय, कलकत्ता के हिन्दी विभाग में इस समय कितनी पुस्तकें विद्यमान हैं ;

(ख) क्या हिन्दी के समस्त उपलब्ध साहित्य को इस पुस्तकालय में संग्रहीत करना संभव हो सका है ;

(ग) यदि नहीं, तो उसके कारण ;

(घ) पुस्तकालय में इस समय मौजूद पुस्तकों (भाषा-वार) की सम्पूर्ण संख्या ; तथा

(ङ) इस पुस्तकालय पर सरकार द्वारा किया जाने वाला वार्षिक आवर्त्तक तथा अनावर्त्तक व्यय ?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) 4,233 (Up to 12/3/53).

(b) No.

(c) The funds available are not adequate to purchase all the books published in Hindi.

(d) A statement is placed on the Table of the House. [*See* **Appendix XI, annexure No. 7.**]

(e) The expenditure for the year 1952-53 was Rs. 2,93,788 recurring and Rs. 55,000 non-recurring.

श्री एम० एल० द्विवेदी : क्या में यह जान सकता हूं कि ऐसे पुस्तकालय के लिए जैसा कि नैशनल लाइब्रेरी, कलकत्ता है

कोई कापी राइट अधिकार के सम्बन्ध में सरकार विचार कर रही है कि ऐसे पुस्तकालयों को कम से कम एक प्रति तमाम प्रकाशनों की मिल सके। यदि हां, तो कब तक यह विचार परिपक्व होगा ?

श्री के० डी० मालवीय : जी हां, कापी राइट ऐक्ट के सुधार के सम्बन्ध में तो विचार हो रहा है लेकिन गवर्नमेंट की ला मिनिस्ट्री ने इन पर ऐतराज किया है कि ऐसा करना सम्भवतः हमारे संविधान के अनुसार उचित नहीं होगा कि हम किसी पबलिशर से किताब मांग सके। लेकिन फिर भी आशा है कि बहुत जल्द ही इस प्रश्न पर कोई निर्णय हो जायगा और तब हम पबलिशर्स से किताबें ले सकेंगे जिस से कि इस लाइब्रेरी में पुस्तकों की संख्या ज्यादा हो सके।

श्री एम० एल० द्विवेदी : क्या कारण है कि इतने बड़े पुस्तकालय में जहां जैसा कि बयान में दिया हुआ है, लगभग साढ़े सात लाख पुस्तक हैं, उनमें हिन्दी के विषयों पर इतनी कम पुस्तकें हैं, और क्या इस सम्बन्ध में बहुत जल्दी कोई विचार किया जा रहा है ?

श्री के० डी० मालवीय : जी हां, इस सम्बन्ध में माननीय सदस्य से गवर्नमेंट की बहुत हमदर्दी है। हम भी चाहते हैं कि हिन्दी पुस्तकों का संग्रह बहुत शीघ्र बढ़ जाय। इस सम्बन्ध में कायवाही की जा रही है। हमें आशा है कि इस साल जो ५० या ५१ हजार की रकम इसके लिए अलग रखी गयी है उसमें अधिकांश पुस्तकें प्रदेशिक भाषाओं और विशेषकर हिन्दी भाषा की होंगी। मैं माननीय सदस्य को यह बताना चाहता हूं कि यह जो साढ़े सात लाख किताबें हैं वे पुराने जमाने की हैं जब कि खास तौर से अंग्रेजी किताबें इकट्ठी की जाती थीं।

डा० सुरेश चन्द्र : मंत्री महोदय ने अभी बतलाया है कि इस राष्ट्रीय पुस्तकालय के हिन्दी विभाग में बहुत कम पुस्तकें हैं। एसी सूरत में क्या यह ठीक नहीं है कि इस पुस्तकालय का नाम राष्ट्रीय पुस्तकालय के बजाय अन्तर्राष्ट्रीय पुस्तकालय रखा जाय ?

श्री के० डी० मालवीय : जी नहीं, यह ठीक नहीं है।

Mr. Deputy-Speaker: He ought not to use this occasion for giving vent to humour.

Dr. Suresh Chandra: I am sorry, Sir. I did not mean any mental humour. It is a fact, because this is a national library and there are no national books. Our national language is Hindi and there are very few books in Hindi.

Mr. Deputy-Speaker: What is the point in the hon. Member misunderstanding what I said? What I said was this. This occasion should not be used for giving vent to humour. This national library has been in existence for several years. It was not started yesterday or the day before. It so happened that until Hindi was made the national language, there were many other languages which were equally good and important and books in those languages were kept in the library. Now that Hindi has been adopted as the national language, the hon. Minister has said that attention will be paid to Hindi books. He referred to the idea that there should be an increase made in the number, as much as possible, of Hindi books. On top of it, if the hon. Member asks. "Why don't you call it an inter-State library or international library?", then the meaning is clear.

Dr. Suresh Chandra: There are not many national books.

Mr. Deputy-Speaker: Whether there are such books or not, that is not the point. His was an ironical statement, and such statements ought to be avoided.

Dr. Suresh Chandra: I am very sorry if I am understood that way.

Mr. Deputy-Speaker: No. It was meant that way and he was understood correctly.

منسٹر آف ایجوکیشن اینڈ نیچورل ریسورسز اینڈ سائنٹیفک ریسرچ (مولانا آزاد) : یہ لائبریری آنریبل ممبر کو معلوم ہے کہ سو برس پہلے قائم کی گئی تھی - قدرتی طور پر اس وقت اس کا مقصد یہ تھا کہ انگریزی کی زیادہ سے زیادہ کتابیں جمع کی جائیں- یہ انگریزی کی کتابیں بھی ہمارے لئے نہایت قیمتی ہیں - اب ہم کوشش کر رہے ہیں کہ اس میں ہندی کی کتابیں بھی بڑھائی جائیں - لیکن ظاہر ہے ہمیں دیکھنا ہوتا ہے کہ کتنا خرچ ہاتھ میں ہے - ہماری کوشش یہی ہے کہ جلد سے جلد ہم ہندی کتابوں کی تعداد کو بڑھاویں -

[**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad)**: The hon. Member knows that this Library was established 100 years ago. Naturally, its object was to stock as many English books as possible. These books are very valuable for us. Now we are making efforts to add Hindi books to it. But it is obvious that we have to look to the financial aspect of the matter also. Our endeavour is to add to the number of Hindi books as early as possible.]

Shri T. K. Chaudhuri: Am I to understand with reference to the statement just made by the hon. Mr. Malaviya that there are legal or constitutional difficulties in making the National Library a copyright one?

Shri K. D. Malaviya: No, Sir. I said in compelling the publishers to give us books there is some constitutional difficulty. That matter is under consideration.

مولانا آزاد نہیں : ایک بل اس غرض سے ہم پیش کر رہے ہیں -

[**Maulana Azad**: No we are introducing a Bill for this purpose.]

लाला अचिन्त राम : क्या माननीय मंत्री जी फ़रमावेंगे कि इस साल के लिये हिन्दी किताबों के लिये कितना रुपया रखा गया है ?

श्री के० डी० मालवीय : मैं ने कहा कि ५५ हजार रुपये अलग रखे गये हैं जिस के मुख्यत: हिन्दी और प्रान्त की दूसरी भाषाओं की किताबें खरीदी जावेंगी । इस ५५ हजार में से अलग अलग बटवारा तो नहीं किया गया है, लेकिन मैं ने कहा कि अधिक से अधिक हिन्दी पुस्तकें खरीदने का प्रबन्ध विभाग कर रहा है ।

श्री कृष्णाचार्य जोशी : क्या माननीय मंत्री यह बतला सकेंगे कि इस हिन्दी विभाग में प्राचीन हस्तलिखित ग्रन्थ कितने हैं ?

श्री के० डी० मालवीय : मेरे पास इस की सूचना तो, खेद है, इस समय नहीं है ।

श्री एस० सी० सामन्त : क्या मैं माननीय मंत्री जी से जान सकता हूं कि सन् १९५२-५३ में जो ५० हजार रुपये इस लायब्रेरी को दिये गये हैं किताबें खरीदने के लिये और प्रकाशन खरीदने के लिये, उन में से कितनी रक़म हिन्दी किताबें खरीदने पर खर्च की गयी है ?

श्री के० डी० मालवीय : मेरे पास इस की सूचना इस समय नहीं है, लेकिन माननीय सदस्य चाहें तो इस की सूचना मैं बाद में उन को दे सकता हूं ।

Mr. Deputy-Speaker: Next question.

श्री एम० एल० द्विवेदी : मेरा एक छोटा सा प्रश्न और बाकी है ।

Mr. Deputy-Speaker: Leave that alone. We are not here having a debate on this matter. Enough has been asked.

PETROL AND KEROSENE

*1799. **Shri Dabhi**: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that the Geological Department of Government is at present investigating the possibilities of obtaining petrol and kerosene nearabout the sea-shore of Cambay in Gujerat; and

(b) if the answer to part (a) above be in the affirmative, what is the progress in this direction?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) The Geological Survey of India has been carrying out Gravity and Magnetic Surveys near Cambay with the object of seeking sub-surface indications of structure that may have possibilities of oil.

(b) Data obtained from gravity and magnetic observations carried out over about 500 stations in the area are under study.

Shri Dabhi: May I know, Sir, the name and designation of the Officer who is conducting this inquiry, and since how long is this investigation being made?

Shri K. D. Malaviya: This inquiry has been going on for some time. As I said, about 500 stations have been examined. The observations have been taken and now computations are going on. They are being studied and it will take some time, and perhaps it is too early to say if possible structures have been located where possibilities of oil exist. But preliminary possibilities are indicated.

Shri Dabhi: Who is conducting the inquiry?

Shri K. D. Malaviya: I am afraid I have not got the name of the officer who is conducting the inquiry.

श्री रघुनाथ सिंह : क्या यू० पी० में भी कोई जांच हुई है कि वहां भी इस तेल के सम्बन्ध में कोई सम्भावना है ?

श्री के० डी० मालवीय : जी नहीं, ऐसी कोई जांच वहां नहीं हुई है । अक्सर रिपोर्ट आया करती है, ख़तूत भी आया करते हैं कि यू० पी० में भी कहीं कहीं जांच की जाय ।

श्री गणपति राम : क्या मैं जान सकता हूं कि जो देश में तेल का उत्पादन होता है वह देश की आवश्यकता के लिये पूरा हो जाता है ? यदि नहीं तो सरकार इस विषय में क्या प्रयत्न कर रही है और कितने वर्ष में देश तेल के सम्बन्ध में भरपूर हो जायगा और तेल आयात करने की आवश्यकता नहीं रहेगी ?

श्री के० डी० मालवीय : ऐसा कोई उत्तर फौरन् इस हाउस में देना सम्भव नहीं है कि जितने तेल की आवश्यकता देश में है वह साल या दो साल में पूरी हो जायगी । लेकिन सरकार इस मामले में सतर्क है और पूरी तरह चारों तरफ़ जांच कर रही है और आशा है कि इस छानबीन से जो इस वक्त हो रही है तेल का उत्पादन काफ़ी बढ़ जायेगा ।

Shri T. K. Chaudhuri: May I know, Sir, if this investigation was carried on directly by the officers of the Geological department themselves or in collaboration with some American company such as Standard Vacuum?

Shri K. D. Malaviya: I have said, Sir, that these surveys have been conducted by the Geological Survey of India and there is no necessity so far as this type of prospecting is concerned for taking the help of foreigners.

CONCEALED INCOME

*1800. **Shri L. N. Mishra**: Will the Minister of **Finance** be pleased to state:

(a) the amount of concealed income that has been unearthed in the year 1952-53; and

(b) the nature of the said unaccounted sum and the steps taken against the offenders?

The Deputy Minister of Finance (Shri M. C. Shah): (a) The total concealed income unearthed in the year 1952-53 by the Income-tax Investigation Commission and through the disclosure scheme amounted to Rs. 20·54 crores. Besides this, some amount was detected by the officers of the Department in the course of normal assessment proceedings but information therefor is not readily available and cannot be collected without much time and labour.

(b) Generally speaking, the concealed income represents black-market money, speculation profits or profits suppressed through inflation of expenses, deflation of sales, under-valuation of stocks, purchase of speculation losses, bifurcation of transactions and such other devices.

Moderate to heavy penalty is levied on offenders according to facts and circumstances of each case.

Shri L. N. Mishra: May I know, Sir, the highest amount that has been unearthed?

Shri M. C. Shah: The highest amount unearthed of an individual?

Shri L. N. Mishra: Yes.

Shri M. C. Shah: I have not got that break-up.

Shri L. N. Mishra: What is the maximum punishment given to a single individual offender?

Shri M. C. Shah: That information also I have not got with me. I will get it, if the hon. Member wants and supply it to him

श्री एम० एल० द्विवेदी : क्या मैं पूछ सकता हूं कि ऐसे बिजिनैसमैन और व्यापारियों को जो कि ऐसी छिपी हुई रकमों में मदद कर सकते हैं उन को सरकार किसी प्रकार की छूट या कमीशन देती है या ऐसा कुछ करने का विचार करती है ?

Shri M. C. Shah: Rewards are being given.

Shri K. C. Sodhia: Were there any European businessmen connected with this?

Shri M. C. Shah: I have not got that break-up also. I will get that information if the hon. Member wants and supply it to him.

Shri T. N. Singh: May I know, Sir, whether this Rs. 20 and odd crores represents the concealed income which has already been brought to a finality by the Investigation Commission or the investigation department, or it excludes other sums which are yet under investigation? If so, what is the amount?

Shri M. C. Shah: This Rs. 20·54 crores covers the Income-tax Investigation Commission inquiries as well as the disclosure scheme.

Shri Kelappan: May I know, Sir, how many offenders were punished and what was the highest punishment inflicted?

Shri M. C. Shah: I have not got that information also available with me. I will get it if the hon. Member wants that.

Shri L. N. Mishra: May I know, Sir, the number of tax evasion cases referred to the Investigation Commission by the Government and how many of them have been disposed of and how many are still under investigation?

Shri M. C. Shah: The number of cases so far referred to the Investigation Commission is 1597 and the number of settlement cases and investigation cases, all told, is 854 from the beginning up to March 1953.

Shri Feroze Gandhi: Is it a fact, Sir, that certain parties have made confessions before the Income-tax Investigation Commission which were found to be totally wrong and also whether it is a fact that no action lay against these parties because of certain rules and regulations of the Commission? I do not want to name the party.

Shri M. C. Shah: Penalty was levied in certain cases.. ...

Shri Feroze Gandhi: No, Sir. My question is, whether it is a fact that certain parties made wrong confessions before the Income-tax Investigation Commission and that because of the rules and regulations of the Commission, no action was possible against such parties?

Shri M. C. Shah: I will require notice for that, Sir

Shri T. N. Singh: May I know, Sir, whether the section under perjury does not apply to statements made before the Income Tax Commission?

Shri M. C. Shah: It is so.

Shri Punnoose: Is it in the contemplation of Government to seek the active co-operation of popular bodies like the Trade Unions in unearthing concealed income?

Mr. Deputy-Speaker: He wants to know whether Government welcome the active co-operation of Trade Unions......

Shri Punnoose: Popular organisations.

Mr. Deputy-Speaker: ...and other popular organisations in unearthing concealed income?

Shri M. C. Shah: Always welcome.

Shri M. D. Ramasami: May I know, Sir, the State-wise figures in respect of concealed income?

Shri M. C. Shah: I have not got the State-wise figures. I have got the sum-total of these cases.

Mr. Deputy-Speaker: The hon. Member can put a question.

INTERNATIONAL DEVELOPMENT AUTHORITY

***1801. Shri Sanganna:** Will the Minister of **Finance** be pleased to state:

(a) whether there is a proposal before the United Nations Economic and Social Council for setting up an International Development Authority; and

(b) if so, what is the stage of the proposal?

The Parliamentary Secretary to the Minister of Fiance (Shri B. R. Bhagat): (a) Yes, Sir.

(b) The proposal for the establishment of an International Development Fund under the aegis of an International Development Authority has been recently examined by an Expert Committee appointed by the U.N. Secretary-General. The Committee's Report has just been published, and will be discussed at the ECOSOC Session to be held in June-July 1953.

Shri Sanganna: May I kow whether this authority is intended to supplement the transactions made under the World Bank Organisation?

Shri B. R. Bhagat: Yes.

Shrimati Tarkeshwari Sinha: May I know, Sir, whether some of the experts have put forward the proposal to amalgamate that Fund in the Technical Assistance Programme of the U.N.?

Shri B. R. Bhagat: I could not follow the question.

Shrimati Tarkeshwari Sinha: May I know whether some of the experts of the Committee have put forward a proposal that this Development Fund should be amalgamated in the Technical Assistance Programme of the U.N.?

Shri B. R. Bhagat: Not exactly that this Fund should be amalgamated, but in one of the recommendations, the Expert Committee has recommended that the whole assistance under the U.N. should be on an integrated basis.

Shrimati Tarkeshwari Sinha: May I know how many countries have been represented in this Committee of Experts?

Shri B. R. Bhagat: The UNESCO had set up a Committee with several expert members. It is not a question of representation of the different countries but it is a Committee of Experts.

Shrimati Tarkeshwari Sinha: I want to know how many countries have been represented on this Committee.

Mr. Deputy-Speaker: The Parliamentary Secretary says that it is not on the basis of the nations or countries that selection is made but it is on account of their qualification as experts.

Dr. Suresh Chandra: May I know whether the Government of India have been asked to submit definite proposals to this Board?

Shri B. R. Bhagat: The report of this Committee has come and it is under the consideration of the Government of India and the Government of India will send its reactions.

Shri S. C. Samanta: May I know, Sir, whether it is a fact that the birth of this Development Advisory Committee was due to the strong plea put forward by the Leader of the Indian Delegation to UNESCO in the last Conference, and, if so, whether our Leader has been taken in on the Committee?

Shri B. R. Bhagat: This expert Committee was appointed as a result of the opinion expressed strongly by several delegations including India. In the first Expert Committee, India was represented by Dr. Gadgil.

Shrimati Tarkeshwari Sinha: May I know what is the minimum fund that is going to be collected and that has been suggested by this Committee?

Shri B. R. Bhagat: The Committee has not suggested any minimum fund and this is exactly the thing which will be discussed in the next session of the UNESCO. But the Committee has expressed that the initial operational fund will be 250 million dollars.

REHABILITATION OF MANIPURI PEASANTRY

*1803. **Shri Rishang Keishing:** Will the Minister of **States** be pleased to state:

(a) the number of landless Manipuri peasants rehabilitated and the total acreage of lands allotted to them during the period beginning from 1950 to the end of February, 1953; and

(b) whether any financial help or loan has been given to them by Government and if so, the amount given so far and the number of recipients?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). The required information is being collected and will be laid on the Table of the House when received.

AREA AND POPULATION OF MANIPUR

*1804. **Shri Rishang Keishing:** Will the Minister of **States** be pleased to state:

(a) the acreage of land already under cultivation and habitation and the acreage of cultivable waste lands in the plain areas of Manipur; and

(b) the policy of Government for the reclamation of these waste lands?

The Deputy Minister of Home Affairs (Shri Datar): (a)—

(Roughly)

Under cultivation	2,30,000 acres
Under habitation	44,309 acres
Cultivable waste lands.	96,523 acres.

(b) The policy is to allot such lands to landless cultivators.

Shri Rishang Keishing: May I know, Sir, whether in the settlement of waste lands, any land has been given to any of the tribal people of Manipur?

Shri Datar: I have no information.

Shri Rishang Keishing: Have Government undertaken any measures to reclaim submerged areas of the Loktak lake?

Shri Datar: Government have undertaken a regular survey and settlement of the valley of Manipur as a preliminary measure.

Shri G. P. Sinha: May I know whether the landless labourers who are going to receive virgin land are also being supplied with implements?

Shri Datar: They would be supplied.

Shri Rishang Keishing: May I know the number of tribal villagers so far settled in the plain areas?

Shri Datar: Sir, I have not got the detailed figures here.

Shri Kelappan: Are these cultivable waste lands owned by the Government or are they private lands?

Shri Datar: They are owned by Government; they are public lands.

Shri Punnoose: The hon. Minister stated that it is the intention of Government to give waste lands to landless people. May I know whether there is any special organisation for the distribution of land?

Shri Datar: As soon as the survey is completed, the policy will be implemented.

Shri Sarangadhar Das: May I know if any distinction is made between displaced people who are being rehabilitated in Manipur and the landless people, particularly in the case of granting lands?

Shri Datar: To my knowledge, no.

DISPLACED PERSONS IN TRIPURA

*1805. **Shri Rishang Keishing:** Will the Minister of **States** be pleased to state the amount of money spent by Government for the rehabilitation of displaced persons in Tripura so far?

The Deputy Minister of Home Affairs (Shri Datar): The required information is being collected and will be laid on the Table of the House when received.

REGIONAL COAL SURVEY STATIONS

*1807. **Shri K. C. Sodhia:** (a) Will the Minister of **Natural Resources and Scientific Research** be pleased to state the names of places where regional coal survey stations are situated?

(b) What is the recurring expenditure on each?

(c) What work has each done till now since its inception?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) to (c). A statement giving the required information is laid on the Table of the House [*See* Appendix XI, annexure No. 8.]

Shri K. C. Sodhia: May I know whether any new coal-fields have been discovered during the last 3 years.

Shri K. D. Malaviya: There is a very wide stretch of area where coal-fields have already been discovered.

Shri K. C. Sodhia: Are they workable in the near future?

Shri K. D. Malaviya: Yes, they are being worked and coal is being mined. All sorts of attempts are going on to increase the quantity and to improve the quality of coal.

Shri K. C. Sodhia: I mean the new coal-fields, not the old ones.

Shri K. D. Malaviya: No, Sir, as far as these stations are concerned, I have nothing particular to say about the discovery of any new coal-fields. In various parts of the country new coal-fields are quite likely to be located.

SOCIAL TENSIONS

***1808. Shri K. P. Sinha:** Will the Minister of **Education** be pleased to state the total expenditure incurred (year-wise) over the Co-ordination Committee and the teams established for the Study of Social Tensions In India?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): Expenditure incurred:

(i) Co-ordination Committee:

1950-51	Rs.	977-12-0
1951-52	Rs.	376-4-0
1952-53	Rs.	2,207-13-0

(ii) Grants to research teams:

1951-52	Rs.	1,367-8-9
1952-53	Rs.	63,000-0-0

Shri K. P. Sinha: May I know the number of students in the various teams?

Shri K. D. Malaviya: There are a number of research projects that have been worked in the various States. There are ten research parties who are being helped. If the hon. Member wants, I can read the names.

Shri Dabhi: Sir, may we have some idea of the study of social tensions and how it is carried on?

Shri K. D. Malaviya: The study of various group tensions was taken up sometime in 1950 with the help of Dr. Gardner Murphy of U.S.A. This relates to the various tensions that exist in our groups of population on the basis of religion or race or languages or provinces. We are trying to find out why these group tensions exist. After these research students have investigated it fully and given us the report, the question of utilising the results will be taken up by the Government. The Government is likely to receive the full reports very soon.

Shri K. P. Sinha: May I know when these reports are likely to be received?

Shri K. D. Malaviya: I said that they will be received very soon. Some of them are already with us in an interim form.

श्री जांगड़े : यह कमेटी मजदूरों भौर कारखानों के मालिकों के बीच में जो मनमुटाव है उसको दूर करने में कहां तक सफ़ल हुई है ?

श्री के० डी० मालवीय : उस समस्या पर भी यह विशेषज्ञदल भ्रध्ययन कर रहा है ।

Dr. Suresh Chandra: May I know the number of students sent out for the study of these social tensions?

Mr. Deputy-Speaker: Ten, he said.

Shri K. D. Malaviya: There is no question of sending them outside. The problems are here and they are being investigated in the various States.

Shri Velayudhan: May I know whether the Government have got any plans for utilising the reports and, if so, what are the plans?

Mr. Deputy-Speaker: Has Government got any plan to utilise the reports, and what are those plans?

Shri K. D. Malaviya: Reports are still to come and as I said as soon as they are received by us we will actively consider how best to utilise the results of those investigations.

Shri Kelappan: Is it an Inter-State Committee? Where is it located?

Shri K. D. Malaviya: The Co-ordination Committee is located here and the members of the committee are Dr. Zakir Hussain, Acharya Narendra Dev, Prof. Wadia, Prof. Vakil, Mr. Chacko and Mr. Humayun Kabir. Later on they co-opted some more members and finally they appointed a small Steering Committee also which is looking after the work. Both these committees are meeting from time to time to consider the matters that come before them.

Shri Radha Raman: May I know, Sir, if provincialism is included in 'social tensions'?

Mr. Deputy-Speaker: He said so.

Shri Punnoose: The hon. Minister made reference to one Mr. Chacko. Does he mean the hon. Member of this House?

Shri K. D. Malaviya: No, Sir.

PROVIDENT FUND ACCOUNTS (INDIA AND PAKISTAN)

***1809. Shri Badshah Gupta:** Will the Minister of **Finance** be pleased to state the present position of India and Pakistan respectively regarding the progress made in the transfer of Provident Fund Accounts of officers of the undivided Government of India who opted for either country (India and Pakistan)?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): According to the latest information available the number of Provident Fund Accounts due to be received from Pakistan is 1,666 and of that to be sent to Pakistan is 3,094.

Shri Badshah Gupta: May I know, Sir, if any agreement has been reached between the two Governments about the repayment of these amounts?

Shri B. R. Bhagat: This is in accordance with the Partition Council's decisions that each country, India or Pakistan, became liable for the provident funds of Government servants of undivided India.

Shri Badshah Gupta: What is the amount due to those that have opted for the Indian Union?

Shri B. R. Bhagat: The information regarding the amount is not available.

Shri Gidwani: Will Government consider the feasibility of paying all the claims of those officers who have opted for India as six years have passed and some of them have not received their payments yet?

Shri B. R. Bhagat: The case of unilateral payment does not arise. The whole thing is being worked on the basis of the Partition Council's decisions and every effort is being made by both Governments to speed up the settlement of the claims.

DETENUS

***1810. Shri K. P. Sinha:** Will the Minister of **Home Affairs** be pleased to state:

(a) the total number of detenus in India in the months of January, February and March, 1953; and

(b) how it compares with the same period last year?

The Deputy Minister of Home Affairs (Shri Datar): (a) The total number of detenus at the end of each of these three months was 371, 336 and 301, respectively.

(b) The corresponding figures for these three months last year were 1835, 1661 and 1625, respectively.

Shri K. P. Sinha: May I know whether the Government of India have received any grievances from the detenus of Bihar?

Shri Datar: We have not received any complaints here.

Dr. Suresh Chandra: How many of these detenus are from Hyderabad?

Shri Datar: On 21.1.53 there were 12; on 28.2.53 there were 12. On 31-3-53 there were only 8

Shri Punnoose: Can I know how many detenus are there for political reasons and how does the present number compare with that of last year?

Shri Datar: I have not got the break-up here.

Shri A M. Thomas: May I enquire whether detenus have been released through orders of court and if so, how many?

Shri Datar: That figure I have not got.

Shri Punnoose: Can I know, Sir, how many detenus are detained outside their province and whether any complaints have been received from them to be shifted back to their province?

Shri Datar: That information was not asked for and I shall be glad to supply that information.

Dr. S. P. Mookerjee: Will the hon. Minister be pleased to state how many of the detenus were released on the advice of the Advisory Board?

Shri Datar: I have already stated that I have not got that information here.

DELHI POLICE (RE-ORGANISATION)

***1811. Shri M. S. Gurupadaswamy:** (a) Will the Minister of **Home Affairs** be pleased to state whether a scheme for the re-organisation and re-enforcement of the Delhi Police has been drawn up?

(b) What are the main features of the scheme?

(c) In what way will the scheme help to improve economy and efficiency?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) The scheme envisages the strengthening of both armed and unarmed branches of Police, laying particular stress on the Armed Reserve, the communication system and the fleet of vehicles so that it may become a sufficiently mobile and efficient force.

(c) The scheme, when fully implemented, would result in efficiency as the inadequacy in its strength will be removed and its mobility increased so that it can fully cope with its responsibilities. The scheme would involve additional expenditure and is not intended to show any saving. on the present budget; the aspect of economy has however been taken fully into consideration in drawing up the details of the scheme.

Shri M. S. Gurupadaswamy: May I know, Sir, what is the total strength of the Delhi Police at present?

Shri Datar: The total strength of the Delhi Police so far as the constables are concerned is about 9,200. There are about 700 lower officers and about 40 higher officers.

Shri M. S. Gurupadaswamy: May I know how long Government will take to implement the new scheme?

Shri Datar: The first part of the scheme has been implemented. There are two stages which are being implemented gradually, if possible, in the course of this year.

Shri Radha Raman: May I know, Sir, what will be the total strength of the police force after the scheme has been fully implemented?

Shri Datar: The total strength may be in the neighbourhood of about 10,000.

Shri Feroze Gandhi: As a part of the scheme, will Government consider providing at least clean uniforms to the police?

Shri Datar: We shall consider that also.

Shri G. P. Sinha: May I know whether the reorganisation includes transfer of top-ranking police officers from this place to other parts of the country in view of the fact that they have not efficiently dealt with the Jan Sangh movement?

Shri Datar: I repudiate the insinuation. Transfers are not a part of the reorganisation, but of routine work.

Shri M. L. Dwivedi: May I know if in the implementation of this scheme tion with the neighbouring States; we receive their officers. Our officers are also sent there.

Shri Datar: Yes, we are in co-operation with the neighbouring States; we receive their officers. Our officers are also sent there.

Shri Badshah Gupta: May I know the additional amount of money required for the enforcement of the new scheme?

Shri Datar: The additional amount would be more than 1 crore and 45 lakhs of rupees.

Shri M. S. Gurupadaswamy: May I know whether in the new scheme any consideration has been given to the control of traffic in Old Delhi as well as New Delhi.

Shri Datar: That is already being taken up. More attention will be paid to more efficient control.

EXEMPTION FROM ESTATE DUTY

*1812. **Shri M. L. Dwivedi:** Will the Minister of States be pleased to refer to the news item appearing in the *Leader* Allahabad, dated the 22nd February, 1953 and state:

(a) whether any representation has been made by the princes of Saurashtra seeking exemption from the proposed Estate Duty;

(b) whether Government have formulated any policy or taken any decision on the issue; and

(c) the reply, if any, given by Government to the representation?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) and (c). This matter is still under consideration and no reply has been sent.

Shri M. L. Dwivedi: May I know, Sir, if in addition to the princes from Saurashtra any other princes have been claiming exemption from this duty?

Shri Datar: We are receiving representations from princes in all parts of India.

Shri M. L. Dwivedi: May I know if in addition to the princes any other category or class of persons are also claiming exemptions and if so who are they?

Shri Datar: I have not got the information so far as the latter question is concerned.

Shri Radha Raman: May I know if Government propose to give exemption to this class?

Shri Datar: I cannot express any opinion at this stage. It depends on the interpretation of the terms of the Estate Duty Bill and whether the various kinds of property have come under the expression 'property' in the Estate Duty Bill.

Shri T. K. Chaudhuri: Is it in the contemplation of Government to allow exemptions to princes and other privileged persons outside the scope of the Bill?

Shri Datar: Naturally not.

COMMONWEALTH CONFERENCE

***1815. Shrimati Tarkeshwari Sinha:** (a) Will the Minister of Defence be pleased to state whether it is a fact that the Government of India have sent a service delegation to participate in the Fourth Commonwealth Defence Conference which is being held in London from the 20th April, 1953 to 9th May, 1953?

(b) If so, how many delegates are participating in the aforesaid Conference?

(c) Who is leading the Indian delegation?

(d) What is the nature of the agenda that is placed before the Conference?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes.

(b) Six Indian delegates will participate of whom two have gone from India.

(c) Col. N. N. Chopra, Controller of Stores Development, Army Headquarters.

(d) Among the subjects to be discussed at the Conference are technical and scientific development in the design and inspection of general Defence Stores, equipment and clothing.

Shrimati Tarkeshwari Sinha: May I know, Sir, how many Commonwealth countries are participating in this Conference?

Shri Satish Chandra: All the Commonwealth countries.

Shrimati Tarkeshwari Sinha: May I know, Sir, whether the Conference will only discuss scientific and technical development problems or the question of the security of South-East Asia is also going to be considered?

Shri Satish Chandra: No questions relating to security of South East Asia or any other part are to be discussed. It is a conference purely for the exchange of information on the development of the equipment, clothing and stores—stores including the methods of storing and inspection of stores, etc.

KOH-I-NOOR JEWEL

***1816. Shri P. L. Kureel:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that during the British regime articles of historical importance, art treasures antiques and rarities were taken out of India by the then Government and sent to England;

(b) whether it is a fact that amongst the things so sent is included the historical jewel Koh-i-Noor;

(c) whether it is a fact that the Government of India have arrived at some understanding with the British Government on the question of the return of the rarities and antiques mentioned in part (a) above; and

(d) whether Government have included the famous Koh-i-Noor in the list of articles which are sought to be claimed back from the British Government?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes.

(b) Yes.

(c) and (d). No, Sir. The matter is under consideration.

Shri P. L. Kureel: Do Government propose to make a representation to recover the jewel?

Shri K. D. Malaviya: They are making all sorts of attempts to get as much of these articles as possible.

Shri P. L. Kureel: Have Government received any representation from any scientist in this regard?

Shri K. D. Malaviya: I am not aware of any representation having been received from any scientist in this regard.

Shri Chattopadhyaya: May I know whether Government propose to take the question to the U.N.O. if the demand for their return is not accepted by the British Government?

Shri K. D. Malaviya: This aspect of the question has not come before the Government.

Shri K. Subrahmanyam: May I know whether the historical Peacock Throne is one of these articles?

Shri K. D. Malaviya: Yes. Sir, the Peacock Throne and Koh-i-Noor are certainly among those articles.

BUILDINGS IN BAHLOON CONTONMENT

***1817. Shri Ram Dass:** Will the Minister of **Defence** be pleased to state:

(a) the number of Government, Military and Civil buildings in Bahloon Cantonment and Dalhousie Municipal Committee areas that are lying vacant for want of occupants;

(b) the steps that Government are taking or intend to take in the near future to make use of these buildings; and

(c) the amount that Government annually spend on the repairs of these buildings?

The Deputy Minister of Defence (Sardar Majithia): (a) 31.

(b) The vacant accommodation is proposed to be allotted to troops who are to be moved there shortly.

(c) Rs. 3000/- approximately.

REVIEW OF FINANCIAL PROCEDURES

***1818. Shri S. N. Das:** (a) Will the Minister of **Finance** be pleased to state whether the existing financial procedures are being reviewed and examined in co-operation with the Planning Commission with a view to ensure that (i) no wastage of resources occurs, (ii) that public money is not misapplied and (iii) that for money spent adequate results are obtained?

(b) If so, what progress has been made in the matter?

The Deputy Minister of Finance (Shri M. C. Shah): (a) and (b). Existing financial procedures have been drawn up with a view to achieve the objects mentioned, and these are reviewed and examined. as and when necessary, with a view to effect improvements. The Planning Commission has made certain recommendations in this regard. and these are now under consideration.

Shri S. N. Das: May I know whether there is any proposal to set up a special agency for this purpose and, if so, how long it will take to come to a decision in this regard?

Shri M. C. Shah: As I said. they are under examination. A Committee consisting of certain Secretaries to Government with the Finance Secretary as a member is now examining this matter. They are meeting even today, they have held four meetings, and they will be recommending certain things.

Shri S. N. Das: May I know whether the Comptroller and Auditor-General of India has been consulted or is likely to be consulted in these matters?

Shri M. C. Shah: If necessary he will be consulted.

Shri T. N. Singh: May we know the principal directions in which the Planning Commission contemplates change in the financial procedure so far followed?

Shri M. C. Shah: The recommendations are there in the Planning Commission's Report, and I would refer my hon friend to page 36 of the Summary wherein he will find all the information.

Shri S. N. Das: May I know whether the results, or the expenditure and loss incurred, in the various State trading concerns have been examined by this Committee or is likely to be examined by this Committee?

Shri M. C. Shah: All the procedural matters regarding financial control will be examined by this Committee.

AGREEMENT BETWEEN INDIA AND CANADA REGARDING CANADIAN WHEAT

***1820. Shri L. J. Singh:** (a) Will the Minister of **Finance** be pleased to state whether there were any agreements entered into between India and Canada as to the Canadian wheat supplied to India?

(b) If so, what are the main features of the agreement?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) and (b). There were no formal agreements. Wheat was supplied by the Government of Canada as part of their aid to India under the Colombo Plan Programme during 1951-52 and 1952-53. The only condition attached to this assistance was that the counterpart rupee funds arising from the sale of wheat be used by

Government of India for economic development.

Shri L. J. Singh: May I know whether the Canadian wheat was supplied to India as a gift to the Indian people?

Shri B. R. Bhagat: It was grant-in-aid, I would call it, not gift.

Shri L. J. Singh: What is the amount earned by the sale proceeds of the Canadian wheat?

Shri B. R. Bhagat: Rs. 7·50 crores—that is the counterpart rupee fund.

Shri L. J. Singh: Is it a fact that the sale proceeds of the Canadian wheat have been earmarked by the Government of India for partially financing the Mayurakshi project in West Bengal?

Shri B. R. Bhagat: The counterpart rupee fund of Rs. 7·50 crores arising from the sale proceeds of this wheat have been used to finance part of the cost of the West Bengal irrigation project for erecting a dam across Mayurakshi. The total cost of the project is Rs. 12·44 crores and only a part of it, *viz.* Rs. 7.50 crores, is being met by this.

Shri L. J. Singh: What are the special interests of the Canadian Government in this project?

Shri B. R. Bhagat: There is no special interest. The priority is determined by the Five Year Plan and it is we who select the project.

Shri Kelappan: The hon. Minister said that it was not a loan but a grant-in-aid. Have we to return this amount?

Shri B. R. Bhagat: This is under the Colombo Plan Programme. It is an assistance, grant-in-aid.

Mr. Deputy-Speaker: Not to be returned.

Shri L. J. Singh: May I know whether the Canadian Government have imposed any special conditions in the giving of this wheat?

Shri B. R. Bhagat: As I said, the only condition is that the proceeds have to be used for economic development. There is no other condition.

TERRITORIAL ARMY

***1821. Shri K. C. Sodhia:** (a) Will the Minister of Defence be pleased to state the total strength of our Territorial Army (State-wise) as it stood on the 31st March, 1953?

(b) What further steps are being taken to develop it?

(c) Is there any special agency for its recruitment propaganda?

The Deputy Minister of Defence (Shri Satish Chandra): (a) It is not advisable to disclose this information.

(b) A considerable amount of publicity has been done in order to encourage people to join the Territorial Army. Recently a Central Advisory Committee has been formed to advise Government how the Territorial Army can be developed further. The State Governments concerned have also been advised to set up similar Advisory Committees in each State in order to enlist public co-operation.

(c) The normal recruiting organisation of the regular Army is also responsible for the recruitment of the Territorial Army. There is a Territorial Army Directorate in the Army Headquarters who are in overall charge and who have done a considerable amount of publicity and propaganda for the Territorial Army.

Shri K. C. Sodhia: Are Government satisfied with the progress that has been made by the recruiting agency for this purpose?

Shri Satish Chandra: The progress has not been very satisfactory—I should admit it. But there are two types of units in the Territorial Army, namely Provincial Units and Urban Units. Progress has been rather satisfactory in Provincial Units, it has not been so satisfactory in the case of Urban Units.

Shri K. C. Sodhia: Do Government propose to have some paid agency working in the countryside for the purpose?

Shri Satish Chandra: I submitted just now that the progress in the countryside has been quite satisfactory. The recruitment is limited by the number that we are prepared to take and the number of persons who offer themselves for recruitment. I think there is a good response in the rural areas.

सरदार ए० एस० सहगल : क्या माननीय मंत्री महोदय यह बताने की कृपा करेंगे कि टैरोटिरियल आर्मी में शहरों के सिर्फ़ टैकनीशियन लिये जाते हैं और जो नौजवान हैं उनको भर्ती नहीं किया जाता ?

श्री सतीश चन्द्र : ऐसा नहीं है कि सिर्फ़ टैकनीशियन लिये जाते हैं। टैकनिशि- शियन भी लिये जाते हैं और सिपाही भी लिये जाते हैं। लेकिन बड़े बड़े शहरों में जहां टैकनीशियन मिल सकते हैं वहां टैकनीशियन लिए जाते हैं। जितने आदमी टैरीटोरियल आर्मी की किसी विशेष प्रकार की यूनिट में लेने होते हैं अगर वह भरती करने की जगह पर मिलते हैं तो उनको लिया जाता है।

सरदार ए० एस० सहगल : क्या यह सच है कि मध्य प्रदेश में टैरीटोरियल आर्मी के लिए जो भर्ती हुई है वह बहुत कम है जब कि वहां पर होम गार्डस में दस हज़ार जवान तक भर्ती हो सकते हैं ?

श्री सतीश चन्द्र : होम गार्डस की तरह हम उतनी बड़ी तादाद में आदमी भरती नहीं कर रहे हैं।

Shri Dabhi: What amount was spent on the Territorial Army during 1952-53 and from which source was it spent?

Shri Satish Chandra: I cannot give the figures of expenditure or the strength of the Territorial Army for security reasons.

Shri Thanu Pillai: I wanted to know whether we can have the benefit of the discussion—the questions and answers which were in Hindi?

Mr. Deputy-Speaker: It is a matter of record which the hon. Member can see.

Shri Raghavaiah: What is the nature of the composition of the Advisory Committee? May I know whether any representation has been given to ex-Servicemen organisations to make them attempt to assimilate larger numbers of ex-Servicemen who are unemployed and who are anxious to serve in this army?

Shri Satish Chandra: The Commander-in-Chief of the Army is a member of the Territorial Army Committee and he has better contact with ex-Servicemen all over the country than anybody else.

Shri Punnoose: The hon. Minister stated that some sort of advice has been given to the States to set up Boards for recruitment. May I know whether any State has set up such a Board and also whether any State has disagreed to the proposal?

Shri Satish Chandra: This advice has been given recently. These Committees, I think, will be set up very shortly.

सरदार ए० एस० सहगल : क्या मैं मंत्री महोदय से जान सकता हूं कि रिक्रूटमेंट के लिये जब कि रिक्रूटिंग अफ़सर वहां जाते हैं तो वहां की जो लोकल बाडीज़ के मैम्बर्ज़ हैं या वहां जो और लोकल संस्थाएं हैं उन के आरगेनाइजर्स से मिल कर काम करने की योजनायें रिक्रूटिंग अफ़सर अपने प्रोग्राम में सम्मिलित करेंगे ?

श्री सतीश चन्द्र : पबलिसिटी के ज़रिए, पैम्फलेट और इश्तिहार के ज़रिए लोगों का ध्यान आकर्षित किया जाता है और बहुत काफी आदमी टैरीटोरियल आर्मी में जाते भी हैं, कठिनाई रिक्रूटमेंट आफिसर्स के काम के कारण नहीं है, बल्कि दूसरी कठिनाइयां हैं जो लोग दूसरी जगह काम करते हैं, वहां से जब वे टैरीटोरियल आरमी में आते हैं तो उनको वेतन कम मिलता है। जितने दिन वे टैरीटोरियल आर्मी में काम करते हैं उतने दिन उन्हें कम तनख्वाह मिलती है। इसी तरह के और कई कारणों से उतना रिक्रूटमेंट नहीं हो पाता जितना कि रेगूलर आर्मी में होता है।

DIRECTORATE OF INVESTIGATION

***1822. Shri K. C. Sodhia**: (a) Will the Minister of **Finance** be pleased to state in how many cases the Directorate of Investigation has rendered help to the Commissioners of Income-tax in investigating into complaints against officers of the Income-tax Department during 1951-52 and 1952-53?

(b) What was the number of such complaints, State-wise, against different categories of officers?

(c) What further steps were taken in these cases and with what results?

The Deputy Minister of Finance (Shri M. C. Shah): (a) The Directorate of Investigation started functioning on 16th October 1952 and has so far rendered assistance to the Commissioners or to the Central Board of Revenue in investigating 6 cases of complaints against officers of the Income-tax Department.

(b) A statement is laid on the Table of the House. [*See* Appendix XI, annexure No. 9.]

(c) Out of the six cases in which assistance was rendered by the Directorate, reversion to the lower grade of Inspector has been ordered in one case. In another the retrospective effect to the promotion of the Income-tax Officer was denied. In the rmaining 4 cases, final orders have not yet been passed.

Mr. Deputy-Speaker: Why is the hon. Member changing his seat?

Shri K. C. Sodhia: May I know whether there were also any corruption cases?

Shri M. C. Shah: Yes, Sir; there was.

Shri T. N. Singh: May I know if this Directorate has got the full strength of staff which Government contemplated and if so, when was the full strength brought about?

Shri M. C. Shah: It has not yet got the full strength. The sanctioned strength is, shall I read out, Sir?

Mr. Deputy-Speaker: Not necessary to go into the details.

Shri T. N. Singh: May I know whether the Special Intelligence C.I.D. police are allowed to help or assist this Directorate in its investigations? Is their co-operation available?

Shri M. C. Shah: Yes; they are allowed to help.

RECRUITMENT CENTRE IN LONDON

***1823. Shri Viswanatha Reddy:** (a) Will the Minister of **Home Affairs** be pleased to state whether it is a fact that Government propose to open a centre in London for the purpose of recruitment to the I.A.S. and other Class I Services?

(b) If so, what are the reasons for this proposal?

The Deputy Minister of Home Affairs (Shri Datar): (a) The Union Public Service Commission have decided to open a centre in London for the Combined Competitive Examination for recruitment to the Indian Administrative Service and other Allied Services.

(b) The decision was taken to enable Indian students staying in the U.K. and other European countries to compete for the Services without having to incur the expenses of journeys to and back from India.

Shri Viswanatha Reddy: May I know whether the Government is in agreement with the apprehension expressed by several persons including our High Commissioner in London that these students who go abroad for specialisation in certain subjects are likely to be attracked by services, and to that extent, their specialised knowledge will be lost to our country?

Shri Datar: We have not received any representation to this effect. On the other hand, representation from the High Commissioner and others is that such a centre should be opened because the number of Indian students in the U.K. is 3,000.

Shri Viswanatha Reddy: I did not mean representation: I meant apprehension expressed by several persons.

Shri Datar: No apprehension.

Mr. Deputy-Speaker: On the other hand, the recommendation has been on the opposite side.

Shri Viswanatha Reddy: May I know the proportion of seats that would be reserved for recruitment in London?

Shri Datar: No seats are reserved. At various centres, examinations are held and then, there is a common result.

Shri C. D. Pande: What will be the proportion of recruitment abroad to the recruitment done in India?

Shri Datar: It does not depend on the question of proportion. It depends on the convenience of the various candidates. That is the reason why examinations are held at different centres.

Shri K. K. Basu: May I know whether there is dearth of suitable Indian candidates in India?

Mr. Deputy-Speaker: These are all Indian students.

Shri K. K. Basu: We know that. I want to know whether there is dearth of suitable candidates in India.

Shri Datar: There is no dearth of suitable candidates in India. The students who are appearing in London are also Indian students.

Shri Kelappan: Does it mean that simultaneous examinations will be held in England and in India?

Shri Datar: Yes; common examination at different centres including London.

Shri Chattopadhyaya: If this is in view of the number of Indians in the U.K. and Europe, will the Government consider the opening of another centre say in Malaya in view of the large number of Indians there?

Shri Datar: We have not received any representation from Malaya.

Mr. Deputy-Speaker: Next question.

Shri K. K. Basu: I have an important question. Why waste money over there? Will the Government advise..........

Mr. Deputy-Speaker: These are suggestions for action.

Shri K. K. Basu: It is very important.

Mr. Deputy-Speaker: Let it be very important. All the same, it is a suggestion.

Shri Punnoose: May I know the expenditure that this proposal would involve, and also the number of students that this new centre would serve?

Shri Datar: So far as the question of expenditure is concerned I have no figures. So far as the number of students is concerned, we expect 400 to 500 students to apply.

Shri Velavudhan: May I know whether this office will be a regular office, or is it only for certain higher posts that this office is opened?

Shri Datar: It is not a question of office at all. It is a question of opening a centre only for the purpose of enabling students to appear for the examinations.

Shri Kelappan: Are there any other centres in foreign countries?

Shri Datar: No other centre.

Shri Kelappan: I want to know......

Mr. Deputy-Speaker: Hon. Members are making suggestions. No other centre anywhere else. Next question.

GOLD IN D. V. C. AREA

***1824. Shri Kajrolkar**: Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that deposits of gold have been found in the Damodar Valley Corporation area; and

(b) if so, the precise area where it has been found?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) and (b). The Director, Indian Bureau of Mines has reported that alluvial gold has been located in the Tertiary gravels in the Damodar Valley Corporation area. The exact extent of the area has not been demarcated. The auriferous gravels, however, extend over a length of 150 to 200 miles covering portions of Bihar, West Bengal and Orissa.

Shri Kajrolkar: Has the Government under consideration any scheme to exploit the various ores found in that area?

Shri K. D. Malaviya: Yes, Sir. The whole question is being examined. The economics of these finds have not yet been established. As soon as we know that it will be fruitful to exploit these areas, it will certainly be done.

Shri Jaipal Singh: Did the Director also report to the Government that the D.V.C. itself had been a gold mine from the beginning?

Mr. Deputy-Speaker: No, no. Next question.

BILL FOR PROVIDING UNIFORM RATES OF EXCISE DUTIES ON MEDICINAL AND TOILET PREPARATIONS

***1825. Dr. Amin**: Will the Minister of **Finance** be pleased to refer to the reply given to unstarred question No. 30 asked on 7th November, 1952 and state when the Bill providing for the uniform rates of excise duties on medicinal and toilet preparations containing spirit will be introduced in Parliament?

The Deputy Minister of Finance (Shri A. C. Guha): The Government of India have decided to promote necessary legislation for the levy of uniform rates of duty on medicinal and toilet preparations containing alcohol, Opium, Indian Hemp and other narcotic drugs generally on the lines of the recommendations made by the Expert Committee (Excise) in their report of 1951. The Bill is in the drafting stage and will be introduced in the Parliament as soon as possible.

Short Notice Question and Answer

ALL-INDIA INDUSTRIAL TRIBUNAL (BANK DISPUTES) AWARD

Shri A. M. Thomas: Will the Minister of Labour be pleased to state:

(a) whether Government examined the second All-India Industrial Tribunal (Bank Disputes) Award published on the 23rd April, 1953;

(b) whether reaction to the Award of the various Bank employees' unions have come to the notice of Government; and

(c) whether Government propose to intervene by legislation or otherwise in matters of the Award affecting adversely the service conditions of the employees?

The Deputy Minister of Labour (Shri Abid Ali): (a) Government have examined the more important portions of the Award.

(b) A number of unions have sent resolutions or letters protesting in general terms against the Award.

(c) No. Government, however, understand that the parties have a right of appeal to the Appellate Tribunal in respect of certain important matters.

Shri A. M. Thomas: May I know how many Banks and how many Bank employees are affected by the Award? Is it a fact that 93 Banks and 51,513 employees are involved in the Award?

Shri Abid Ali: All these details are mentioned in the Award which has already been circulated.

Shri A. M. Thomas: May I know whether Government has compared the main features of the Award with the Award of the Tribunal presided over by Justice Mr. Sen which was declared by the Supreme Court to be void for want of jurisdiction? If so, how do the two awards compare?

Shri Abid Ali: The hon. Member can ascertain the differences by making a reference to the relevant portions in the Award. All these are mentioned in the Award.

Shri A. M. Thomas: May I know whether attempts were made by Bank Employees' Unions and Federations to have the Sen Award legalised by legislation before the matter was referred to the Shastri Tribunal?

Shri Abid Ali: Perhaps, the hon. Member may be aware that when the Sen Award was published, these very persons who are now angry with the Shastri Award, almost in the same terms condemned the Sen Award. Then, subsequently, the matter went before the Supreme Court and the award was vitiated. Now it should not be open to them to say that the Sen Award was better than this Award.

Shri K. K. Basu: May we know whether the Government have ascertained the variations in the objective conditions which led to two different and diverse Awards within such a short time?

Shri Abid Ali: All this information is available in the Award Members can read it and have their own opinion.

Shri M. S. Gurupadaswamy: May I know, Sir, whether any representation has been sent by Bank employees that this Award is worse than the Sen Award?

Shri Abid Ali: Many Resolutions have been passed by Bank employees in several places, and as I have already said, the same opinion was expressed about the Sen Award.

Shri A. M. Thomas: May I enquire whether among the representations received by the Government, there is a request urging the Government of India not to implement the Award, but to appoint a special Bench to conduct a fresh enquiry?

Shri Abid Ali: Not in the representations which we have received, but I have read this in the newspapers.

Shri Punnoose: May I know, Sir, whether Government have enquired whether large numbers of employees will get less of amenities and allowances according to this Award than they get at present?

Shri Abid Ali: It is a matter of opinion.

Shri Punnoose: It is not a matter of opinion. It is a question of fact.

Mr. Deputy-Speaker: Whether the hon. Member feels it is less or more, it is a matter of opinion.

WRITTEN ANSWERS TO QUESTIONS

FOREIGN STUDENTS' SEMINAR

***1794. Dr. Ram Subhag Singh:** (a) Will the Minister of **Education** be pleased to state whether Government of India propose to send any Indian students for participation in the Foreign Students' Summer Seminar at the Massachusetts Institute of Technology, U.S.A., to be organized by the U.S. National Students' Association Committee between the 8th June and 25th September, 1953?

(b) If so, how many students will be sent?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b) Two.

SUPPLY OF 500 RADIO SETS BY AUSTRALIA

***1795. Sardar Hukam Singh:** Will the Minister of **Education** be pleased to state:

(a) whether Australia showed its willingness to supply 500 Radio Sets and gramophones for the propagation of social education in India; and

(b) whether these Radios and gramophones have been received by now?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b) No; the matter is still under correspondence with the Australian Government.

EXPORT OF CAMELS TO PAKISTAN

***1802. Shri N. P. Sinha:** Will the Minister of **Finance** be pleased to state:

(a) whether the attention of Government has been drawn to a news report appearing in a section of the Press stating that about 500 camels have been secretly sent over to Pakistan from Purnea in Bihar; and

(b) if so, under what circumstances has this occurred?

The Deputy Minister of Finance (Shri A. C. Guha): (a) and (b). Presumably the reference is to the Press Report which appeared in the *Searchlight* of Patna dated the 14th February 1953 in which such an allegation was made. No such instance of an attempt to smuggle camels from Purnea in Bihar to Pakistan has been detected recently. Government is inclined to believe that this report is not wholly correct.

POLITICAL PENSIONS

***1806. Dr. Ram Subhag Singh:** Will the Minister of **Home Affairs** be pleased to state the total number of persons who are at present getting hereditary political pensions which were granted during the British regime for services rendered to that Government during the Mutiny of 1857?

The Deputy Minister of Home Affairs (Shri Datar): Excluding the States of Madras, Bombay, Orissa, Uttar Pradesh, Madhya Bharat, Saurashtra, Travancore-Cochin and Coorg, from whom information is still awaited and will be laid on the Table of the House on receipt, there are only three persons who are in receipt of what is known as "mutiny pensions". Of these only one is a hereditary pension—the other two being life grants.

VOCATIONAL TRAINING FOR DEMOBILISED SOLDIERS

***1813. Prof. D. C. Sharma:** (a) Will the Minister of **Defence** be pleased to state whether there is any centre in the Punjab for giving vocational training to demobilized soldiers?

(b) If so, in what vocations is the training given?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes. There are 5 centres located in Rohtak, Jullundur, Ferozepore, Amritsar and Ambala.

(b) The training is given in the following trades:—

Blacksmithy, Carpentary, Painting, Watch repairing, Pattern-making, Manufacture of sports goods, Footwear, Suitcases and other Leather Goods, Book binding, Tailoring, Draughtsmanship, Electro-plating, Plumbing, Moulding, Printing, Welding, Electric Wiring etc.

POLICE FORCE FOR PART 'B' STATES

***1814. Shri Achuthan:** (a) Will the Minister of **States** be pleased to state to which or in which Part 'B' States, the Central Police force is lent or stationed?

(b) What is their number Statewise?

(c) Who meets the expenses of these forces?

(d) Has Travancore-Cochin or Mysore requisitioned the assistance from the Centre, of Police help?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). Presumably the reference is to the Central Reserve Police Force, which is under the administrative control of the Ministry of States. The number of the Central Reserve Police personnel at present employed on detachment duty in Part B States is as under:—

PEPSU	269
Jammu and Kashmir	306
Indore (Madhya Bharat)	49

The headquarters of the Force are located at Neemuch in Madhya Bharat.

(c) The expenditure on the Central Reserve Police is borne by the Central Government but the cost of the detachments employed under Part B States is recovered from the respective State Governments.

(d) No.

SMUGGLING ON INDO-PAKISTAN BORDER

***1819. Dr. Ram Subhag Singh:** Will the Minister of **Finance** be pleased to state whether any improvement has been marked by Indian Customs in the smuggling position on the Indo-Pakistan border during the first quarter of the year 1953 over the corresponding period of the year 1952?

The Deputy Minister of Finance (Shri A. C. Guha): Yes, Sir. A falling off in the number of instances of smuggling detected on the Indo-Pakistan border by the Customs authorities provides an indication of such improvement.

BRITISH ARMY CAMPS IN DARJEELING

***1826. Shri Badshah Gupta**: Will the Minister of **Defence** be pleased to state the number of British army camps at present in the District of Darjeeling and its neighbourhood for recruiting Nepali Gurkhas for British Army?

The Minister of Defence Organisation (Shri Tyagi): There is no British Army camp in the District of Darjeeling and its neighbourhood. At Jalapahar, however, there is a Depot known as "H.M.G. Gurkha Recruiting Depot" which is maintained by the Government of U.K.

छुपे चोरी माल ले जाने वाले

*१८२७. श्री रघुनाथ सिंह : क्या वित्त मंत्री यह बतलाने की कृपा करेंगे :

(क) उन अवसरों की संख्या जब कि भारत-पाकिस्तान सीमा पर छुपे चोरी माल ले जाने वालों पर गोली चलानी पड़ी; तथा

(ख) गत वर्ष में इस प्रकार के गोली-कांडों से मरे व्यक्तियों की संख्या ?

The Deputy Minister of Finance (Shri A. C. Guha): (a) and (b). In 1952, on twenty-five occasions firing was resorted to against smugglers on the borders of India and Pakistan and this firing took place only on the West Punjab border; of these, twelve were in encounters by Customs and thirteen by the Police. Two persons were killed in 1952 by firing by Customs parties in two separate encounters; in one of these encounters, the Customs party operated jointly with the Police.

जगतराम (देहरादून) में खुदाई

*१८२८. श्री रघुनाथ सिंह : क्या शिक्षा मंत्री यह बतलाने की कृपा करेंगे :

(क) क्या देहरादून जिले में जगतराम स्थान की खुदाई का काम पूरा हो चुका है ;

(ख) इस खुदाई कार्य पर अब तक हुआ व्यय ; तथा

(ग) क्या इस खुदाई ने इतिहास के किसी अज्ञात पहलू पर कोई प्रकाश डाला है ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) No, Sir.

(b) No extra expenditure has been incurred by the Department on this site.

(c) Yes, Sir. A few inscribed bricks were recovered which record the performance of an *Asvamedha* sacrifice by a King who may be assigned to the 3rd Century A. D.

"The Residential Management Studies" Course

***1829. Shri Telkikar:** (a) Will the Minister of **Education** be pleased to state whether "The Residential Management Studies" course, newly provided by the Institute of Technology, Kharagpur, is a post-graduate course?

(b) What are the subjects taught under this course?

(c) In what Government departments can the successful students be absorbed?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). The Residential Management Studies course recently held at the Indian Institute of Technology is not a regular course either at the post-graduate or at the under-graduate level. It was specially conducted on the model of the Summer Schools in U.K. and was designed to meet the needs of managers, potential managers and executives who were unable to undergo formal courses of training in Management subjects but who wished to have guidance in developing their knowledge of Management.

No specific subjects were taught in the course. The course consisted of a series of lectures on the various aspects of Management, group discussion on specific problems, case study and tutorial study groups.

(c) Only persons in suitable employment in industry or commercial organisations or Government Departments participated in the course. As such, the question of their employment does not arise.

Land Enquiry Committee for Shri Ganga Nagar

***1830. Shri Bheekha Bhai:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether the Land Enquiry Committee for Shri Ganga Nagar appointed by the Government of India has finalised its report;

(b) the main recommendations of the Committee;

(c) whether the Committee has taken into consideration the landless displaced Harijans; and

(d) whether the decisions on rehabilitation benefits relating to the Displaced Harijans were taken after consultations with the Displaced Harijan Board or the leaders of the Displaced Harijans?

The Minister of Defence Organisation (Shri Tyagi): (a) No.

(b) to (d). Do not arise.

Land Reserved for Tribal People in Tripura

1319. Shri Dasaratha Deb: Will the Minister of **States** be pleased to state:

(a) whether there was any land reserved within certain area or areas in Tripura for only tribal people where only tribal people could be settled during the Maharaja's rule;

(b) if so, what were those areas; and

(c) whether it is a fact that such reserved land has been made open to all now?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). Yes. 13,18,400 acres of land reserved under the orders of the former Administration for tribal people in Kailashahar, Sadar, Udaipur, Amarpur, Sabroom and Khowai Sub-divisions of Tripura.

(c) No.

Reservation in Services for Scheduled Tribes and Scheduled Castes

1320. Shri Bheekha Bhai: Will the Minister of **Home Affairs** be pleased to state the reasons why the reservation in Services has not been maintained separately for Scheduled Tribes and Scheduled Castes according to the Constitution?

The Deputy Minister of Home Affairs (Shri Datar): Separate percentages of reservation for Scheduled Tribes and Scheduled Castes are already in force in the case of Central Services. (Cf. paragraph 15 of the Report of the Ministry of Home Affairs for the year 1951-52, copies of which have been circulated to Members of Parliament and are available in the Library of the House.)

Geological Survey in Bikaner

1321. Shri Balwant Sinha Mehta: (a) Will the Minister of **Natural Resources and Scientific Research** be pleased to state whether it is a fact that deposits of clays and sands in Bikaner were examined by the department of Geological Survey?

(b) If so, what are its results about their quality and reserves?

(c) Are their reserves sufficient to run their respective industries?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (c). A statement giving the information required is laid on the Table of the House. [*See* Appendix XI, annexure No. 10.]

SUIT AGAINST MOIN NAWAZ JUNG

1322. **Shri Krishnacharya Joshi:** Will the Minister of **States** be pleased to state whether any judgment has been delivered in the suit filed against Moin Nawaz Jung and Barclay's Bank for the recovery of £411,065 due to the Government of Hyderabad by the court of England?

The Deputy Minister of Home Affairs (Shri Datar): No.

REQUIREMENTS OF LEAD AND ZINC IN ORDNANCE FACTORIES

1323. **Shri Balwant Sinha Mehta:** Will the Minister of **Defence** be pleased to state:

(a) the total requirement of Lead and Zinc respectively in ordnance factories in India;

(b) how much of the total requirement is met by local production and how much by imports; and

(c) the purposes for which these metals are used in such factories?

The Deputy Minister of Defence (Shri Satish Chandra): (a) It is not in the public interest to furnish this information.

(b) The entire requirement is met from imports.

(c) For the manufacture of various types of munitions.

"SAL BAN" TREES

1324. **Shri Dasaratha Deb:** (a) Will the Minister of **States** be pleased to state the total area under "Sal Ban" trees in Tripura?

(b) What is the total expenditure incurred per year on maintaining these trees?

(c) What amount of annual income is being derived out of these trees?

(d) What amount of these trees is being used in Tripura every year and what amount are being exported?

The Deputy Minister of Home Affairs (Shri Datar): (a) About 100 square miles.

(b) Separate record for "Sal" is not maintained. On an average Rs. 14,500/- is spent on the forest areas where "Sal" occurs.

(c) No separate accounts are maintained for "Sal" or any other species. Average annual income from timber including "Sal" is Rs. 1,30,000/-.

(d) Consumption—about 50,000 cft.

Export—Nil.

LEAD AND SILVER DEPOSITS NEAR YAMUNOTRI

1325. **Dr. Ram Subhag Singh:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether lead and silver deposits are reported to exist near Yamunotri in Tehri Garhwal; and

(b) if so, whether these places have been examined by the experts of the Government of India?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). No, Sir.

UNIFIED CALENDAR

1326. **Shri N. P. Sinha:** (a) Will the Minister of **Natural Resources and Scientific Research** be pleased to state whether Government had appointed any Committee to go into the desirability of making suggestions for bringing into being a unified calendar in supersession of the Gregorian Calendar?

(b) If so, when and who are the members?

(c) Has the Committee completed its labours?

(d) What important changes has it suggested?

(e) Has public opinion through Press or otherwise been invited?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (e). A statement giving the required information is laid on the Table of the House. [*See* Appendix XI, annexure No. 11.]

रायलासीमा में हीरे

१३२७. **श्री जांगड़े :** क्या **प्राकृतिक संसाधन तथा वैज्ञानिक अनुसन्धान मंत्री** यह बतलाने की कृपा करेंगे कि क्या यह

तथ्य है कि आन्ध्र क्षेत्र में रायलासीमा के कुछ ज़िलों में हीरों के प्राप्त होने की अधिकाधिक संभावना है जिन को आधुनिक उपकरणों तथा मशीनों की सहायता से ही निकाला जा सकता है ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Although according to the old records of the Geological Survey of India relating to the geological work done by it in the past diamonds are known to exist in the Kurnool Conglomerates rock-formation in the districts of Anantapur, Bellary, Cuddappah and Kurnool, detailed prospecting would have to be carried out before it could be concluded that there is any possibility of obtaining diamonds. Detailed prospecting is the function of the State Government concerned.

HOTEL IN IMPHAL

1328. **Shri Rishang Keishing:** Will the Minister of **States** be pleased to state:

(a) whether it is a fact that the Government of Manipur have taken steps to start a first class hotel in Imphal for tourists;

(b) whether any contractor from outside Manipur has been given the contract to construct the building and establish the hotel; and

(c) whether the Government of Manipur have any share in this enterprise and if so, what is the amount of the share?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) Messrs. Sen Dutta and Company of Shillong have been given the contract.

(c) No.

RIOTS IN PANCH MAHALS

1329. **Shri U. M. Trivedi:** (a) Will the Minister of **States** be pleased to state whether Government are aware that serious riots broke out in the Panch Mahals District of Bombay on the 28th March 1948?

(b) Is it a fact that officers of Lunawada State saved several villages from loot and arson at the cost of their lives?

(c) Is it a fact that the Maharana of Lunawada made a gift of certain lands in appreciation of their services?

(d) Is it a fact that this gift was cancelled on the 11th January, 1950 by the Government of Bombay?

(e) Is it a fact that this action of the Government of Bombay was not approved by the Union Government?

(f) Is it a fact that notwithstanding the order of the Government of India, the grantees are not being allowed the possession of these lands and that money is being demanded to confirm these grants by the Government of Bombay?

The Deputy Minister of Home Affairs (Shri Datar): (a) Government are aware of the fact that communal riots started in Godhra town of Panch Mahals District on the 25th March 1948 and subsided on the 26th March 1948.

(b) Yes.

(c) Yes.

(d) Yes.

(e) and (f). No. The Government of India agreed with the suggestion of the State Government that the orders issued by the Ruler alienating the lands should be set aside as they were made in anticipation of the merger. However, having regard to the circumstances under which these grants were made, the Bombay Government recognised as a special case the grants on new and impartible tenure on payment by the grantees concerned of full occupancy price at three times the assessment. The grantees represented to the Government of India that the Government of Bombay be advised to recognise the grants on the terms and conditions on which they were originally granted and that the condition imposed by the Bombay Government while recognising some of the grants should be cancelled. The Government of India declined to intervene as it was considered that the matter was one for the State Government to decide. No grantee has so far represented to the State Government that he has not been allowed to take possession of the lands.

TOBACCO EXCISE ADMINISTRATION

1330. **Shri Nanadas:** Will the Minister of **Finance** be pleased to state:

(a) the main principles, in the Tobacco Excise Administration, of control followed by the Central Excise Department to safeguard Government revenues;

(b) whether the Indian Leaf Tobacco Development Company has been allowed not to follow the excise regulations in respect of (i) weighment of tobacco and (ii) control over movement of tobacco from place to place;

(c) whether the Indian Leaf Tobacco Development Company is permitted to have its own account books without maintaining the statutory accounts under the Central Excise Act; and

(d) under whose direct supervision the refuse tobacco, which is unmarketable, will be permitted to be destroyed?

The Deputy Minister of Finance (Shri A. C. Guha): (a) The levy of Central Excise duty on tobacco, unmanufactured and manufactured, is governed by item 9 of the First Schedule to the Central Excises and Salt Act, 1944. Under this Act unmanufactured tobacco becomes liable to duty as soon as it is cured *i.e.*, when it is rendered fit for marketing or manufacture, but the levy and collection of duty is postponed until the tobacco is about to go into consumption. To safeguard Government revenue, however, the Central Excise law provides for supervision and control, by the Central Excise Department of the commodity from the stage of its production until it is finally sold to the consumer.

(b) and (c). The position with regard to movement, accounts and weighment is briefly as follows:—

(i) *Movement*: The Indian Leaf Tobacco Development Company which was operating in India before the introduction of Central Excise duty on tobacco in 1943, had devised a system to regulate movement of partially cured tobacco from the premises of the curer to the Company's buying depots and from the buying depots to the assembling and re-drying warehouses.

(ii) *Accounts*: The accounts maintained by them in respect of tobacco stored in their private bonded warehouses were even more elaborate and informative than the statutory accounts.

In both the above cases, the mechanism of control exercised by the firm was accepted as sufficient for excise purposes. A similar procedure has been extended to other firms of standing.

(iii) *Weighment*: Generally the Range Officer weighs or test-weighs packages and such ascertained weight is entered in Excise Documents. The Indian Leaf Tobacco Development Company's specification weights in respect of bonded tobacco are accepted for entry in the transport permits provided they are not found to exceed by 2 per cent. on a 10 per cent. check-weighment of the packages.

Most of the concessions were granted to the Indian Leaf Tobacco Development Company at the time when the Excise Duty on Tobacco was first introduced in 1943 and are now being enjoyed by some other Companies also, some of which are under Indian management. The whole question of the grant of this concession is now under review.

(d) The following Central Excise Officers are authorised to permit and supervise destruction of refuse tobacco:—

Rank of Officer	Quantity of refuse
Range Officer	Up to 5 standards mds.
Circle Officer	Upto 25 " " "
Assistant Collector	above 25 " "

In the case of firms of standing, the limits are 25 maunds, 50 maunds and above 50 maunds respectively.

AGRICULTURAL FARMS IN TRIPURA

1331. Shri Dasaratha Deb: (a) Will the Minister of **States** be pleased to state how many agricultural farms are being conducted in Tripura by the Government of Tripura?

(b) What is the total amount being spent on those model agricultural farms per year?

(c) What types of agricultural methods are being taught through those farms?

(d) What is the annual income from those farms?

(e) How many agricultural experts are there in those farms?

The Deputy Minister of Home Affairs (Shri Datar): (a) 1 (One).

(b) Rs. 32,094/- during 1952-53.

(c) (i) Terrace cultivation.

(ii) Introduction of improved types of crops fruit trees etc.

(iii) Improved cultural practices and manuring programme.

(iv) Poultry.

(d) Rs. 4,140/- during 1952-53.

(e) A Farm Manager and an Agricultural Demonstrator.

LOANS TO DISPLACED PERSONS

1332. Shri L. J. Singh: Will the Minister of **Rehabilitation** be pleased to state the number (category-wise) of displaced persons in Manipur to whom loans in respect of profession, trade, housing and agriculture were advanced and also the respective amounts given to them during the years 1950-51, 1951-52 and 1952-53?

The Minister of Defence Organisation (Shri Tyagi): A statement giving the information is laid on the Table of the House. [*See* Appendix XI, annexure No. 12.]

Dated....25.11.2014

THE PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Monday, the 4th May, 1953

The House met at a Quarter Past Eight of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

9-20 A.M.

PAPERS LAID ON THE TABLE

EVIDENCE *re* INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT BILL

Shri Gadgil (Poona Central): I beg to lay on the Table a copy of the summary of the evidence tendered before the Select Committee on the Industries (Development and Regulation) Amendment Bill, 1953, on the 27th April, 1953. [*See* Appendix XI, annexure 56.]

INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

> "That the Bill to amend the Industries (Development and Regulation) Act, 1951, as reported by the Select Committee, be taken into consideration."

I do not think I need make a long speech in regard to this motion because, after considering the Bill for four days, the Select Committee has not thought fit to make any radical changes in the shape of the Bill. The changes, Sir, briefly are as follows.

There is a new Clause 4 which has been introduced, because the consultation that was part of the scheme of the original Act—consultation with the Industries Advisory Council—which is now sought to be relaxed in respect of cases where Government have to act quickly, is still left so far as this particular Clause is concerned, and it was felt that as the general scheme of the Act wants to give power to Government to act quickly in accordance with the provisions of Section 5 sub-section 4(b) of the original Act which says that the Government shall consult the Advisory Council in regard to the exercise by the Central Government of any other powers conferred upon it under Section 16 or sub-section (1) of Section 17, has to be duly amended, and that is the amendment that the Select Committee has undertaken.

In regard to Clause 13, the Select Committee has thought fit to make a change in respect of the duration of the time when Government can be in charge of an industrial unit which has been taken over under provisions of Section 18A. The original provision was that the Government can be in charge of a unit for a period of five years. The Select Committee felt that it was more or less leaving the matter in the hands of Providence and if, as it happens, the Government has to be in charge for a period of five years, some provision has to be made. Provision has been made here that the Central Government may continue to be in charge of a unit taken over for more than five years, but then the appropriate Notification should be laid on the Table of the House.

In regard to Section 18B sub-section (4), the amendment made is more or less in the nature of a clarification. The intentions, undoubtedly, of the scheme of Sections 18A and 18B and the following sections were to allow Government a free hand to issue directions in respect of the management of institutions that have been taken over. At the same time, it was contemplated that the Articles of Association under which a Company was incorporated should not operate to hinder Government's freedom, or the Government's agent's

[Shri T. T. Krishnamachari]

freedom, in the matter of running the institution. And this amendment made by the Select Committee in this respect merely clarifies the position.

An amendment has been made in Section 18G—sub-sections (2) and (3)—that is, in regard to the prices to be offered. All that this amendment does is to ensure that reasonable prices will be offered and to that extent, it is a safeguard for the industrial unit.

There have been two additions—rather amplifications—to the schedule. It was felt that amongst the type of material to be used for making fabrics, staple fibre must also be included. Some people said it was already there, but in other legislative measures which the House recently passed, for instance, the cess on mill made cloth, the staple fibre has been definitely introduced in the body of the definitions. The new item 'Soap' has been expanded to include toilet requisites as well. Those, Sir, in sum, are the amendments made by the Select Committee.

I shall also very briefly deal with the Minutes of Dissent. There are two Minutes of Dissent which are on the same clause, namely, the Minute of Dissent appended by the hon. Member, Mr. Somani, and that appended by the hon. Member, Mr. Amin. Their objections are, in a sense, fundamental. Of course, Mr. Somani has used very polite language. He does not object to Government interference or Government control, but then he would like the quantum of control to be reduced, so that, in effect, the control exercised will be reduced to nullity. I must say that his attitude is one that could be understood. It is based on the fear that Government might needlessly use their power and also based on a general ideological background that Government should not interfere in industry. On that nobody can take exception to the hon. Member expressing his views, and he has certainly, very politely, made a concession; while he concedes that Government has enacted a legislation by which we seek to control industry, additional safeguards should be given which safeguards, if conceded, would practically render this amending Bill unnecessary.

In regard to Mr. Amin, the position is more or less the same and the only notable addition is that with respect to Section 23, the amendment of Section 23, where it is said that the decision of Government is final in regard to interpretation of what is a new article and what is 'substantial expansion'. There he says that the matter should be referred to arbitration. Of course, he does not understand that there is no contractual obligation here which enters upon the Government and the industry. It is not governed by contract; therefore, there is really no such understanding at all. The function of Government is regulatory and as such, naturally, Government has the last say in the matter. There could be no arbitration in regard to parties which are not under equal status and that is a mistake the hon. Member makes. If two parties come to an agreement and there is a contract, naturally if there is a difference between the two parties, the matter either goes to a court or goes to arbitration. Here Government is telling people what to do and what not to do. If the authority of the Government is to be questioned, the Act can be scrapped. So the question of arbitration does not enter at all. There may be an appeal, but arbitration is not a possibility. So there is an essential understanding of the position which is *prima facie* wrong in the mind of the hon. Member.

The other Minute of Dissent which was submitted by the hon. Mr. Basu and three others, is in the nature of suggestion for action. They, *prima facie*, do not object to the amendments proposed. But in effect, I think they feel that it does not go far enough. For instance, they feel that provision ought to be made for an administrative machinery wherein people other than Government servants should be associated. They also feel that if industrial units are taken over, Government should not employ firms which are already in the field to manage those institutions. And the other condition is that after a period of time when they find that the unit has been put on a proper basis, the company should not be handed over back to the owners without ascertaining the wishes of the shareholders. I mean these are matters of detail. But they have expressed that fundamentally they do not oppose the provisions except for the fact that they feel that their approval is qualified because they would like it to go beyond what the amending measure calls upon the Government to do.

That would indicate to the House that the main objectors in the Minutes of Dissent are the hon. Member, Mr. Somani and the hon. Member, Mr. Amin. And here it is a matter of fundamental difference in which there could be no bridging of the gap. But the gap must remain and we must agree to differ.

Before I resume my seat, I would also deal with some of the major amendments that have been proposed. I think in effect the one amendment I have proposed is more or less of a clarificatory nature. I have examined the provisions in regard to price control and I have been advised that the proposal now made more or less seeks to confine the control to be exercised on the stock and not on the goods to be manufactured. And the amendment Government has proposed is more or less a drafting amendment because the intention is that in industrial units that manufacture, the price control should be not only of the goods in stock, but also of goods being manufactured or in the process of manufacture.

In regard to other amendments, I primarily mention that moved by Mr. Bansal. Again I very humbly submit the amendment arises out of an incorrect understanding or incorrect appreciation of the Government's views in this matter. What is sought to be done under the provisions of Section 18A and the following provisions is that if there is an emergency, when Government have to keep the industrial unit going, they cannot allow a delay to ensue. Then Government will take it over without the normal process of giving a direction to the managers of the units to better their management, or consulting the Industrial Advisory Council. The amendment of Mr. Bansal, if accepted, will again render the provisions of the amending Bill nugatory. He says it must be provided that before appointing any person or body of persons to take over management, the Central Government shall consult the Industrial Advisory Council. Well, it again brings it back in a different form. You go by the front door and come back by the back door. Well, the position is that if I have to summon a body of 25/30 people, give them time for notice to reach them, give them time to adjust their personal work—they are all very busy people, all of them without exception; at least a fortnight's time must be given—then the mischief would be done. In a fortnight, probably the whole concern might go to pieces. The Government intend to act in this way only in an emergency of that nature. Normally, the provisions of section 16 will operate. If there is a possibility of bettering the position of the institution by giving directions, Government would assuredly accept that position: give them notice and ask them to better it. But if it happens that something else for example, labour, is involved to the extent of 5 thousand or 6 thousand or 7 thousand people, some quick action is necessary. Well, I cannot afford to presume the responsibility for non-closure of the institution and at the same time merely say I have got the powers. That is precisely the object of the amending Bill. If there is an emergency, the Government has to act and if it has to act; well, there must be powers. What I say now can be used against myself or any future incumbent of this office, 'Why Government did not think of it in a particular manner? Why they did not use section 16? Why they used section 18A? They must have demonstrated that there has been an urgency; there must be adequate reasons'. After all Government is not one that acts in a watertight compartment or a glass case. We are responsible to the House. The House will ask what we have done when something goes wrong And I cannot understand why when you have two Houses which can always call the Government to account, there should be a provision for consultation and so on. That means the hon. Member who seeks to put in this amendment, has no faith in this House. So far as I am concerned, I know I am not infallible; I know that what I do can be wrong. But I believe that this House is here to check and safeguard against anything wrong being done.

That more or less deals with most of the main amendments that have been proposed. The amendment moved by Mr. Gurupadaswamy again says that Government should not appoint a firm as managing agents. Here is a matter in which I would like the hon. Member to understand that when there is an absolute lack of personnel, if you try to fetter the hands of Government what will happen is that the purpose that you have in mind, namely, that a bad institution must be taken over and run properly, would be defeated. If I cannot hand it over to a firm, if I cannot find a proper person to run the institution that has been taken over, then—if that is the intention of the hon. Member,—this amending Act is unnecessary. If the intention is that the thing should be bettered, if the intention is that all possible resources should be used—all managing agents are not bad—I have an instance here of the Sholapur Mills. We have got a body of Directors managing it primarily under the direction of Sri Vittal Chandavarkar—Chandavarkar does not agree with government; he does not agree with anything that the Government does; he has an ideological aversion to governmental interference and yet I can say without exaggeration that he is

[Shri T. T. Krishnamachari]

an outstandingly straightforward and efficient person and he has done a good job of the work. I cannot be prevented from using him provided he is willing to lend his services practically for nothing. It is labour of love for him and it is a difficult and thankless task. I do not know why Government's hands should be fettered. It would be actually that the Government would not be able to act. I cannot merely say that I have not got the personnel and so I cannot take the institution. If the hon. Member's intention is that we should run the industries, then there must be provision for utilising every resource so that the industry is kept going. It is not a question of the commercial community of individuals. If the industry is to run, a certain amount of flexibility should be given for Government discretion. That sums up more or less all I have to say at this stage.

Mr. Deputy-Speaker: Motion moved:

> "That the Bill to amend the Industries (Development and Regulation) Act, 1951, as reported by the Select Committee, be taken into consideration."

Hon. Members are aware that two days have been allotted for the consideration and passing of this Bill as reported by the Select Committee. Therefore, I would like that the consideration stage should be over today and for this purpose, I would ask hon. Members to limit their speeches, as far as possible, to 15 minutes. I say 'as far as possible'. If they have got a number of points, in such a case the time limit will be extended; it is flexible.

Shri N. M. Lingam (Coimbatore): May I know, Sir, when the Tea Bill will be taken up?

Mr. Deputy-Speaker: As soon as this is over.

Shri K. C. Sodhia (Sagar): I say that this Industries Bill is a fearful Bill and I have had occasion to read it through not only once, twice or thrice, but four times. After reading it four times, I see no reason whatsoever to change my opinion. Well I say it is a fearful Bill. There are three parties to this Bill. One is Government, the second is the Industry and the third are the teeming millions of this country. I say this Bill is fearful for the Government because I find from the Bill that there is a dictatorial attitude of the Government visible to me. When I say dictatorial, I mean to say that there is absence whatsoever of any limitations to be kept on the Government themselves. If you read the Bill, you will find that in proposed section 10A of the Act, (*Revocation of registration in certain cases*), the words are, "If the Central Government is satisfied...". The Government do not see the necessity of inviting the industry against whom the Government have got a case to offer an explanation. The Government will say that it is their function always to proceed like that and there is no necessity of having any amendment in the Bill to that effect. I say it is the *meharbani* of the Minister that he may just ask for an explanation or he may not. I do not want to leave this matter to the *meharbani* of the hon. Minister. There must be some safeguard in the Bill itself and, therefore, I have put down an amendment that after obtaining any explanation from the industry, the Government should proceed for the revocation of the registration. That is the first thing that I have to say regarding the dictatorial tone of the Bill.

Then again in Chapter III, there is proposed Section 18A, power of the Central Government to assume management or control of an industrial undertaking in certain cases. Here again they will take over the industry and they would not like to give any chance for the industry to vindicate its position. This is a dictatorial thing outright. When you are taking the whole industry under your management, you do not think it proper to give the industry any chance of explaining its affairs. Is this not clear injustice to the industry? Well if things like that are left to the sweet will of the Government, then, I think, our industry will have hardly any breathing space and we all know that we are very badly in need of better industrialisation of the country. Unfortunately we are not yet in a position to have whole nationalisation because it requires a great deal of capacity to do things in the proper way and, therefore, we have just left things to the private sector. When it is so, we should give them some form of freedom because it is well known that unless a man or an industry has got a certain amount of freedom, he or it cannot develop and would not be able to make any progress.

I should also like to draw the attention of the hon. Minister to 'new articles'. 'New article' has been defined in this Bill and the Select Committee has made a further clarification of that 'new article'. In the present state of our industrialisation, the Government should have been proud to let an industry just to manufacture new articles because we are badly in need of new articles and we should give encouragement and initiative to our industry. But, what do I find? Actually, the hon. Minister is out to throttle any encouragement being given to this sort of thing.

[SHRIMATI KHONGMEN *in the Chair*]

Shri K. K. Basu (Diamond Harbour): Throttle him.

Shri K. C. Sodhia: Well, you know that a new article cannot be manufactured overnight. It requires a good deal of capacity to work before any new article could be manufactured. If the hon. Minister wants that any industry should be coming forward and asking his permission to have that article manufactured, then there will be an end to the manufacture of these new articles. The Government is again thinking of a reign of control. In that reign of control we have had a good taste of unrestricted powers of Government at work in this country. We have seen how that period of control gave a good harvest to our magistracy and to the administrators. Government does not want to leave it. As the saying goes, when a tiger has got taste of the human blood, it does not leave it. So Section 18B has been introduced in this Bill in order to have a reign of terror again.

You may regulate the industry, you may regulate the manufacture of things, but for God's sake do not come upon the small traders who are just eking their livelihood in the countryside. All the brunt of your control measures does not fall upon the industrialists, or on the big magnates, but it is rather the humble fry, the small people of the countryside, who suffer from it. This is what I meant to say about the dictatorial powers of the Government.

Now I come to the industry itself. The condition of the industry in the private sector is not at all very hopeful in these days. The reason is that this Government is putting all sorts of pressure upon them and is controlling them in a very unsatisfactory way. I do not mean to say that it is not necessary to regulate the private sector of the industry, but the regulation should be such that it is in consonance with the idea of progress that they can make. Therefore the industry is bound to feel the evil effect of this control.

Five years' time has been taken by the Government in order to take over the industry and put it in proper order. Now the Select Committee went a bit further and in order to improve the Bill they are not satisfied with five years; they want a longer period—it may be an indefinite period. Well, if the Government cannot make proper improvements in the industry within a period of five years, it is not at all necessary to give them even a minute's time more.

Another feature of this Bill is the provision regarding the prices at which things are to be sold. In one section it is said that if prices at which things are to be sold are not mentioned, the price may be calculated by the parties concerned according to the directions of Government. This is a great onus which has been put upon the small and medium traders and they will be put to great trouble by this.

> "(b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any, fixed under this section;
>
> (c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale;"

These are provisions which are going to complicate things in such a way that the poor persons of this country will be harassed and put to great trouble.

Then I come to the disposal of cases. Government want that all cases coming up for disposal of the courts should be disposed of summarily. There is no necessity of allowing arguments, or evidence, or anything. Well, they can be disposed of in the merry way of certain sections in the Criminal Procedure Code. That means that the magistracy are being given a free hand over the whole affair. They may do whatever things they like.

I know that the Government, situated as they are, are not likely to accept any reasonable amendments.

Shri B. S. Murthy (Eluru): You are quite correct!

Shri K. C. Sodhia: As the Finance Minister said the approach of anybody who comes forward with amendments is considered quixotic. It reminds me of the story of that Spanish knight. That knight went to fight with the giant windmills and in the process broke all his teeth. My teeth are already gone and I do not care if I fall down in fighting against these gigantic

[Shri K. C. Sodhia]

windmills, or wooden windmills of the Government over this affair.

Shri K. K. Basu: As the hon. the Commerce and Industry Minister said in his introductory speech, excepting two Members, all Members of the Select Committee have supported the principle of the Bill. It is true that all of us are interested in the industrial development of this country. In view of the fact that we are wedded to the principle of planned economy, the private sector of the industry, to fit in with the whole Plan, has got to be regulated and controlled in the interest of the nation. Therefore we wholeheartedly support whatever improvements are sought to be made in the amending Bill. However, whatever may be our attitude, whatever may be our idea, the whole thing will depend on the manner in which we want to work the Act.

If we look at the picture of the economic life of our country, we will know the spirit in which the industrialists have been working. I would like to mention that in my part of the country, one of the most important exporting industries is jute. We know how this jute industry which is essentially dominated by British interests has been behaving for the last several months, and if I may say so, during the last several years. We know that in the jute industry, the Tribunal gave a certain award in favour of the workers on the basis of a 48-hour week. Immediately, the jute industry which was most powerful, possibly influenced even our present Government and they got the sanction of the Government to reduce the working hours to 42 and sealed off 10½ per cent. of the looms and thereby reduced production on the plea of shrinkage of foreign market. We find that 10,000 to—it varies—15,000 people have been already retrenched and possibly another 15,000 may be retrenched, some in a month, some two or three months hence. These tactics have been adopted by the jute industrialists to put pressure on the Government so that they can have a lion's share of the profits and shift the burden of the crisis to the workers. We also heard the other day that sanction of the Government has been granted for a further retrenchment of 60,000 persons and sealing off of 6 to 8 per cent. of the looms. I do not know whether it is true. But, I may say that the hon. Minister told us the other day that they are looking into the matter and that he will try to see what can be done. I hope he will take up the matter in all seriousness and see that a crisis in the industry is averted. No industrial progress of the country is possible if the greatest constituent of industrial production, labour, feels that whenever there is a crisis, whenever there is a recession in the market, the immediate reaction is to shift the entire burden of such crisis to them who are in a position to bear this suffering the least. We know these industrialists who have already amassed reserve fund greater than whatever capital they have invested, whenever a situation develops, they try to take advantage of their position and the organised strength they have built up during the last 150 years. Therefore, I would like to emphasise this point. The Government should immediately come forward to take special steps under this legislation to see the crisis in the industry is averted, to the best interests of our nation and our people. We know in the jute industry how they try to maintain the old form of production and possibly further improve it to reduce the labour cost and introduce further labour-saving devices. We also know that there are other avenues of production to which the industry could be switched on where these goods can very well have a market and thereby retrenchment may not be necessary. We regret the attitude of these industrialists. Unfortunately, most of them are people who are not sons of the soil and are not interested in the industrial development of the country. They are guided more by the profit-making greed to which they are used for the last so many years. Therefore, we feel that it is the duty of the Government not only to come forward and take steps to avert a crisis that is already there, when thousands of workers are just thrown out of employment with 15 days' notice, and conditions of service have been altered to the detriment of the interests of the workers, but also to see, even when the industry is working, the avenues of production to which they can switch on, so that the industrial development of our country may move forward.

10 A.M.

The other point that I would like to raise is the crisis in an industry like shellac in which nearly 20,000 people are working more or less on a cottage industry basis throughout the length and breadth of Santal Parganas and Chota Nagpur. In the boom period when there was such an improvement in the world market, the export trade also improved and the major share of the profits was mopped up by the industrialists who are not Indians. When, now, there is a crisis, our people are suffering. There is no attempt by the Government to develop the industry or find alternative avenues wherein this vitally important product can be utilised. Similar is the case, I was told, of the mica industry. We know that scrap mica was being exported outside the country mostly to Anglo-American countries, and now that has been stopped by interests dominated by foreigners, with a view to adversely affect our export trade. Our Government has not yet come forward to find out alternative methods of utilisation of this scrap mica. Unless this is immediately done, a larger number of workers are likely to be retrenched and thrown out of employment. No special conscious effort has been made to find out ways of utilising this scrap mica for the development of miconite or similar industries in the country itself, to avoid retrenchment of the workers.

The other aspect that I would like to deal with is this. The Government should make it a point to see that industries are so developed and so regulated that there is no likelihood of the establishment of big monopolies. The other day we were told that scrap iron was being exported to Japan. In 1950-51 280,000 tons were exported and this year we were told that 30 lakh tons may be permitted to be exported—if I am wrong, I will stand corrected—to Japan and other countries. We know ourselves that our small foundries and smaller units are suffering for want of this scrap iron. We also know the need for the production of steel in our country. Even one of the great supporters of the Government, Mr. G. D. Birla, said the other day, if we can utilise all this iron for the development of the steel industry, we may be in a position to manufacture 75 per cent. of the machinery that India needs. But, this is allowed to be exported out of the country, without taking into consideration the interests of our country in the context of overall industrial development. We apprehend.—I do not know whether it is correct—that the two main Iron and steel interests, the Tatas and the Mukerjees are combining together to see that no other steel plant is set up or at least the proposal is shelved for the present, so that they can reap the profits to the maximum, very much adversely to the interests of the nation. I feel that the Government has ample powers under this Act to prevent the growth of such combines which may adversely affect the industrial policy of the country.

Next, I would like to raise the question of the shipping industry, which is also included in the schedule. The other day,—I forget the name—a big man in the shipping industry, in a meeting in Calcutta, pointed out in what way there has been discriminatory treatment against the Indian shipping interests. They do not get their full load of cargo for shipping whereas the others, which are mostly British interests, are always preferred by their counterparts here to send out Indian goods. We know ourselves that even today our export trade is dominated by British interests and we have only a quota of 7 or 8 per cent. of the export trade. How much time will I have, Madam?

Mr. Chairman: Two minutes.

Shri K. K. Basu: I was told by the Deputy-Speaker that it could be extended. In view of the fact that I find very small number of speakers, I might be given some more time.

Mr. Chairman: There are other Members also.

Shri K. K. Basu: When I rose I did not see anybody. May I request you to give me some more time?

Mr. Chairman: The hon. Member can have another five minutes.

Shri K. K. Basu: With regard to shipping, Madam, I was trying to point out the discrimination meted out to Indian shipping industries. We are told that even their certification is not accepted by the foreign concerns. In all these matters it is the duty of the Government to see that Indian interests are not adversely affected by the concerns which are owned by outsiders who work much to the detriment of our national interests. I feel there are ample powers under this particular legislation to guide our industrial policy in the proper manner, and they should see that Indian industries are not adversely affected.

Similarly the other day I found that our belting industry, which according to the report of the Tariff Commission could hardly produce 50 per cent. of the productive capacity, is again made to face a very uneven competition from the great foreign concern, namely Dunlop Company which has been permitted to produce belting. The result of this may be that in a year or two the entire Indian belting industry is dwindled or goes out of existence.

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I want to emphasize this point. We have got to see that Indian industries are developed and wherever necessary even special effort should be made and support given by Government to see that these industries grow, instead of permitting those foreign concerns, especially British concerns, who come and establish their industrial undertakings here incorporated under our Act and try to come in the name of Indian concerns and take all the privilege and advantage of our protective policy. Unfortunately our Government have a soft corner for them. Therefore I would like to emphasize that these things should be taken into consideration and it is the duty of the Government, if they mean to act up to the spirit of this particular legislation, to come forward and guide industry in such a manner, even in the private sector for which this is meant, that our overall industrial policy is not affected.

Then the other point is about the managing agency system. I hope I will have an opportunity to develop this point while speaking on the amendment which I seek to move. I suggest in this connection that this managing agency system should be looked into, and whether we should give it the go-by should be considered. I shall go into details about this in the amendment stage.

I would like Government to consider whether as in Great Britain we should have a similar provision about restrictions on the distribution of profits. The company for the time being may be allowed to earn profits. But in Great Britain Government have used it in such a way that they are not allowed to fritter away whatever profit they earn, so that it might very well be utilised in the lean years which are faced many times by the industrialists. Therefore, Government can so utilise the position that they may put a ceiling to the distribution of dividends and the rest may be invested in government securities and undertakings so that they will be able to avert difficulties.

Time will not enable me to go into details of all the propositions I wanted to propound in this connection, but I would ask Government to consider whether this Schedule should be further increased. For instance we have got the Tea Bill. I am afraid it does not serve the purpose of this industrial development. Under the Industries (Development and Regulation) Act we have much wider powers which unfortunately under the Tea Bill, which is going to be discussed in the House soon, we do not have. Similarly they have to consider the coir industry, plantation, rubber, coffee and other things which are so very vital in the interests of the nation. I would also like Government to consider, whether they should include the match industry where we find European idnustries working in a way much to the detriment of whatever small shares our Indian industries have in that particular category of production.

Therefore I would like Government to take into consideration the most important aspect that in all the undertakings where we have already got national industries we must be cautious and careful to see in what manner we allow British or foreign money to be invested and in what way and in what manner they are utilised.

Lastly I would like to emphasize one point on which I have appended a note of dissent. We feel—and I think the Hon. Minister agreed—that the main fear is about the manner in which the Act is going to be worked. In view of the fact that Government is going in for their own big undertakings, the nationalised undertakings and big projects, and in view of the fact that they are also going to take power under this legislation wherein there might be cases where they will have to control private industry, we feel that we should set up a corps of persons from the various classes of people, economists, or one or two industrialists or employers, and labour who actually supply the human factor to the productive force of our country in all the industrial undertakings. Such a corps should be formed who will be in a position to work out this Act in the proper spirit. That should be done instead of leaving it to the I.C.S. officers. I do not say they will not do it. But it needs a particular and a different type of training which the I.C.S. officers do not generally have because they are used to a different sort of work.

With these words, Madam, I ask Government to take into consideration all these things if they want to work this legislation in the proper spirit with a view to develop the industrialisation of our country.

Some Hon. Members *rose*—

Mr. Chairman: I think I should give first preference to those hon. Members who have tabled amendments. So I will call upon the hon. Member, Mr. V. B. Gandhi.

Shri V. B. Gandhi (Bombay City—North): Madam,......

Shri Damodara Menon (Kozhikode): Hon. Members who have submitted amendments have got an opportunity of speaking when the amendments are taken into consideration. So if you, Madam, give a ruling like that; that preference will be given to those who have tabled amendments, that will go against other Members who want to participate in the discussion.

Mr. Chairman: I will give them fifteen minutes and after that other hon. Members can take part. There will be time.

Shri Sinhasan Singh (Gorakhpur Distt.—South): Members who have given amendments have an occasion to talk about the Bill when the amendments come up for consideration. They will have two chances. So when the general discussion goes on it will be better, Madam, if you confine it to those Members who have not given amendments because they may not have an occasion to speak when the amendments are discussed.

Mr. Chairman: Well, rightly or wrongly I have already given my opinion. Let the hon. Member go on.

Shri V. B. Gandhi: Madam, the speech of my hon. friend Mr. Sodhia has taken most of us by surprise. He opposed the whole basis of this Bill as well as of the original Act, the Industries (Development and Regulation) Act, 1951. He did it in such a wholesale manner that he almost put most of us in a mind not to take him seriously. I really do not know if a speech of that kind was appropriate at this stage of the consideration of the Bill. Personally, I am one of those who have a feeling that business and industry in this country have at present to suffer from a multiplicity of laws, from a number of controls, and have to accept any number of inspections from all kinds of agencies, the Union Government, the State Government, the local Government. Yet if all these laws and controls and inspections are necessary then their presence is only to be regretted and not to be taken as an argument for dropping them. The measure that we are now considering is not a new law. It is only a measure to clarify some of the shortcomings of an Act that this House has already accepted and worked for over a year. Now this Industries (Development and Regulation) Amendment Bill places in the hands of Government a tool, an instrument and if we are willing to place this tool or instrument in the hands of the Government, then we must certainly be willing to see that that tool is a workable tool, that that instrument is an efficient instrument and that is all that this Bill is seeking to do. Therefore, the most important part of the present Bill is section 14(b) and any amendment that will weaken the power in the hands of the Government under that section should be considered as not in the interests of the objective that we have in view.

Then I shall deal with clause 3 of the Bill which proposes to omit section 4 of the principal act. This section 4 deals with the class of industrial undertakings which will be exempted from the scope of this act, namely industrial undertakings in which the capital invested does not exceed Rs. 1 lakh. The omission of this section has exercised the minds of many Members in this House and a large number of people, especially those concerned with industries, in the country outside. In this House, Madam, you will remember that no less a person than Dr. Mookerjee delivered a telling speech in which, to quote his own words, he said: "he was perturbed over the withdrawal of this minimum qualification in respect of capital". If we reflect a little over this clause 3 we would see that the omission of section 4 does not mean as if we are going to bring within the scope of the provisions of this Act very small industrialists. Some humble industrialist perhaps working in his factory may perhaps be brought in, but that is not what the omission of this section will lead to, because in respect of industrial undertakings which are brought within the scope of the provisions of this Bill, this requirement about capital is not the only criterion. There is another criterion and that criterion is that an industrial undertaking is defined as "any undertaking pertaining to a scheduled industry carried on in one or more factories." Again a "factory" is defined as a place where the "manufacturing process is being carried on ....(1) with the aid of power, provided that fifty or more workers are working" and also "without the aid of power, provided that one hundred or more workers are working." This is the other criterion and as such we need not entertain those very extra sensitive fears on this ground that the omission of section 4 will bring the humble industrialists, the illiterate ones, those who are not able to find their way in the Government administration within the scope of this Bill.

We have also to consider rather the real possibilities or possible difficulties that we may be led up to if we retain this qualification of minimum capital. The hon. the Minister for Commerce and Industry has referred to two of these difficulties. One is that it is conceivable to have industrial undertakings with capital which is rather small, much below the minimum of

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Rs. 1 lakh, and yet it is an industry big enough, important enough, in respect of possessing substantial working capital or in respect of having very large production and a very important place in that particular class of industries. That is easily possible. I can say from my own experience of one particular industry and that industry is pharmaceutical, where some old established pharmaceutical concern with a very small capital today has reached a position of importance in the industry. In such a case it would be wrong to exclude that industry from the scope of the provisions of this Bill only on the ground that it has a capital which does not exceed Rs. 1 lakh. Then the other possible difficulty which the hon. Minister for Commerce and Industry has placed before this House and has referred to in his speech is that in this age of mechanization it is easily conceivable that an industry even while employing a number of workers which is much smaller than the 50 workers contemplated in the definition of a factory has yet a production far out of proportion to the number of workers or the capital it employs. Now such an industry also does deserve to be brought within the scope of the provisions of this Bill. Finally, Madam, there is this very serious objection to retaining this qualification of minimum capital which is referred to in the Statement of Objects and Reasons. It says:

> "This provision is liable to be misconstrued to mean that even the declaration contained in section 2 is inapplicable to such undertakings."

Now, this is a very, very important consideration, for, if we do not remove this qualification of minimum capital, we then render this Section 2 on the declaration as to the expediency of control by the Union almost meaningless. And, therefore, all these three considerations—the two already referred to by the hon. Minister, Shri T. T. Krishnamachari, in his two speeches, and the third one referred to in the Statement of Objects and Reasons—deserve to be very seriously considered, and I do not see why we in this House should not support Clause 3 which seeks to omit Section 4.

Personally, as I said, I do feel that business and industry in this country have to deal with a multiplicity of laws, and I would have liked very much if it was at all possible to see that a wide open door to bring under the scope anybody and everybody were not found necessary to be given to Government. I, however, have to reconcile myself to the retention of Clause 3 in view of the considerations I have stated. However, let us not forget that the hon. Minister, Shri T. T. Krishnamachari has told us that his view of this legislation is that of a developmental legislation and not of a punitive legislation. In view of this, if at any time during the working of this Act we find that some kind of minimum qualification is found to be desirable to be laid down, then I will just make a suggestion. I know my suggestion is not practicable on the face of it; still, I will state it for what it is worth. In the Schedule we have included a list of industries which differ one from another very largely. I mean, there are industries like locomotives manufacturing industry, like oil refining industry, like iron and steel industry,—all giants in their own right —and along with these giants are included small industries also like the pharmaceutical or paper and strawboard making industries. They can be small, I mean. I am just referring to the straw board industry, a new inclusion in the Schedule. It looks as if that in this basket we have put all the Kings and cabbages together, big and small. I would, therefore, suggest that if it were at all found possible at any future date, we may consider whether we cannot have this qualification limit fixed according to individual industries. For instance, the minimum capital limit for iron and steel may be Rs. 1 Crore, whereas the minimum for a pharmaceutical or a straw-board manufacturing industry may be something less—perhaps even less than Rs. 1 lakh. That is just a suggestion I am making for what it is worth.

I am glad that the hon. Minister for Commerce and Industry has agreed to consider the suggestion made by Dr. S. P. Mookerjee about the formation of some kind of an Industrial Management Corporation. I would just throw a very small suggestion in this respect, *viz.*, that Government should explore the possibility of using the facilities of the Industrial Finance Corporation for the purposes of any Industrial Management Corporation which the Ministry may think of setting up

Then I will come to just one point. Mr. H. N. Mukerjee was rather disappointed at the way the hon. Minister for Commerce and Industry clearly stated that he did not believe that the present Bill was in any way intended to lead to nationalisation. In other words, it looked as if Mr. Mukerjee wanted this Bill to be used as some kind of a secret weapon for the achievement of nationalisation. That is a little surprising because when before this House there was a Bill a few days ago called the Air Corporations Bill which was frankly out for wholesale nationalisation, which proposed to buy from private owners a vital transport service in the country and which took over for Government the entire management through the medium of two Corporations, such a nationalising Bill was not accepted as a nationalising Bill by friends from the Communist side. In fact, one Communist Member in the House asked the Minister in charge of that Bill if he could not do something to nationalise the transport service, and, of course, the Minister promptly replied if that was not nationalisation he did not understand what nationalisation was. Well, that is that. That was not perhaps a secret weapon. That was a very open weapon.

Then, Mr. Mukerjee did not like the present Bill because it did not regulate profits. Most of us who know something about this business of profits know that profits arise from prices. Chapter III-B deals with prices, and anybody who has the power to regulate prices has, *ipso facto*, the power to regulate profits. Apparently, most of these things like nationalisation, prices and profits, are understood by us in one way, and by our Communist friends in another way. Therefore, this question of these ideas about nationalisation, about regulation of profits etc., as between the Members of the Communist Party and us is a question, as has been very aptly called by the hon. Minister, Mr. T. T. Krishnamachari, a question of semantics.

Shri M. S. Gurupadaswamy (Mysore): Last time when I spoke on the Bill before it was referred to the Select Committee, I made an observation that this Bill is not a step in the direction of nationalisation, it does not provide any means for nationalising industries. On the other hand, it will give a fresh lease of life to private enterprise.

Now, I elaborate this point. If a private industry is mismanaged and not run properly, then the Act gives power to Government to take over the management of that industry. After setting the industry on a sound footing, the industry would be returned to the original owners. So this is nothing but helping the private industry to continue its life. So I said on the other day that there was no justification for fear on the part of the industrialists that this Bill was going to take away much of their powers. This will do nothing of the kind. On the other hand, it will help the industrialists in the management of their industry on proper lines. It will keep them in alertness and will make them more vigilant with regard to the management of their undertakings. So this Bill is not at all revolutionary. Some people on the other side think it is very revolutionary, and they say it gives a lot of dictatorial powers to the Government. Nothing of the kind. It seems to give a lot of powers to the Government. There is an appearance of transfer of powers from private industrialists to the Government; but it is only an appearance. There is no real transfer. The real purpose of the Bill is to help the private entrepreneurs to manage their industrial affairs well so that they may reap the benefits of good management in the long run. So there is no drastic principle involved in this Bill.

Some Members may question me whether I am not in favour of the Bill. I certainly extend my limited support to this measure. We want that as far as possible, so long as private industries exist in our land, they should function in a proper way. Nowadays what we are seeing in the private industrial sector is nothing but chaos. They are in a very confused condition. The progress that they have achieved cannot be rightly called progress; much of it is muddling through. There is no system, no regulation, no control, no planning. So if the Bill proposes to bring some element of planning, then certainly, to that extent, it is welcome. But I maintain it is not revolutionary; it does not go far enough. The Bill proposes that if an industry is taken over by the Government, its Management will be entrusted to some Managing Agents. This, I fear, is not a good and salutary principle. I do not find much difference between one managing agent and another managing agent. The hon. Minister tries to point out that there are very fine managing agents, who can manage the industry and we must try to utilise their experience. But by seeing the record of the managing agency, I do not see whether there will be any effective benefit accruing by placing the undertaking under their control and management. So as an alternative I would prefer to take the undertaking entirely into the hands of the Government and a Board of Management, as was also suggested by Dr. Syama Prasad Mookerjee the other day, may be set up exclusively for this purpose; and in that Board, well-known economists and labour repre-

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sentatives may be included. This is the only way of placing derelict industries on a sound footing.

Then there is another point which is equally important. After managing the industry for sometime, the Act proposes to hand over it back to the original owners. Here I would draw attention of the House to a practice in England. There if a sufficient number of shareholders of a company make a representation that their company has been mismanaged and the people who are responsible for the management of that industry have misused their trust, then criminal prosecution may be launched against those managing agents. Here the Government does not propose such a thing in the Bill. If the managing agents have not managed the affairs of the company well, the only solution that is contemplated is that the management will be assumed by the Government and another set of managing agents will manage it in the name of the Government. The better course would be to punish those people who have not run the industry efficiently and properly. As in the British Company law, a specific provision to launch criminal prosecution against such irresponsible managing agents should be provided in the Bill.

Shri Bansal (Jhajjar-Rewari): Prosecution in a court of law?

Shri M. S. Gurupadaswamy: Yes, in a court of law.

Then there is criticism that this Act has not been effectively applied. This is true. On seeing the past record of the Government, I understand that they did not apply this Act effectively since 1951. I may draw the attention of the hon. Minister to a fact that nearly 3,000 applications for registration were received, in 1952, last year. Out of this number, only 400 applications were considered and registration certificates issued.

The hon. Minister seems to have said that this is due to a large number of applications which were not fit for registration. But, anyway, I feel that the progress of registration is not at all satisfactory. If this ineffectiveness and irresoluteness continues for long, then this Act, though it is placed on the Statute Book, will not serve the purpose for which it is passed. So, to make even this limited measure a success, very effective action is necessary on the part of Government. Government seems eager to take powers under the Act but it does not want to take responsibility which those powers involve.

Shri K. K. Basu: They are irresponsible.

Shri T. T. Krishnamachari: Madam, on a point of information; I should like to say that I never said that 400 were registered. 3,562 applied for registration and out of these 2,241 were not eligible for registration.

Shri M. S. Gurupadaswamy: I was just quoting the 'Commerce and Industry' magazine; there the figure is given as 400.

Shri T. T. Krishnamachari: Which is the book?

Shri M. S. Gurupadaswamy: Commerce and Industry dated October 18, 1952.

Shri T. T. Krishnamachari: I would venture to submit the hon. Member may accept my statement in preference to 'Commerce and Industry'.

Shri M. S. Gurupadaswamy: There is a provision in the Bill giving power to Government to act as expeditiously as possible in cases of mismanagement. I welcome this amendment. The procedure suggested by the original Act was tardy and roundabout. It would defeat the very intention of Government to come to the rescue of a mismanaged industry quickly. So, from the point of view of taking over the mis-managed industry under the control of Government as quickly as possible, that tardy procedure should not be there. If the industry is found not working well, the Government may step in and take the industry immediately under its management.

Finally, I would suggest that the Government should, as far as possible, try to regulate the entire private sector. A few industries have been brought under the schedule. Now, there are a large number of non-scheduled industries which are in a chaotic condition. They are not regulated, controlled or managed properly and there is perfect chaos prevailing in that sector. So, it would be advisable from the point of view of the over-all industrial organisation of the country or the over-all planning of the country to take the entire private sector into consideration under strict control and regulation. So, I want the schedule to be enlarged and the entire private industry to be included in the Bill. I know after expanding this schedule it may become very unwieldy. It may be very difficult for the Government to exercise control over each and every item of the private industry. But, the over-riding interests of national economy demand such a drastic measure. I do not say it is drastic really but, in a way, it will be a great improvement. So, I want the inclusion of all the industries found in the private sector under the schedule so that we may have complete control over our entire economy. If Government fails in its efforts, then the private industrialists will say that it is not capable of running the industry; it is not fit for that purpose. Then they will make propaganda that nationalisation will not be a success. So, by this way the private capitalist will make capital out of the failure of Government. I want to warn the Government and the hon. Minister, against such dangers. To vitiate that vicious propaganda, the Government must try to operate this Act effectively. The Government must create, enthusiasm and confidence among the progressive sections of the people.

With these words, I close.

Shri Bansal: I speak on this Bill with a certain amount of diffidence for reasons which the hon. Minister for Commerce and Industry will well appreciate.

Shri Gadgil (Poona Central): Why not take the House into confidence?

Shri Bansal: The Bill as it has emerged from the Select Committee has not seen many changes and, therefore, I do not have to make a very long speech because I have already spoken when the Bill was introduced by the hon. Minister of Commerce and Industry. But, the Select Committee has made one significant change. They have added one amendment to clause 14, which empowers the Government not to consult the Central Advisory Council before taking any action under section 15 and section 16A. The purpose of the original Section in the Act and the reason for retaining it in the Bill, obviously, was that Government wanted to give the Central Advisory Council some time to consider before Government came to a decision to take over the concern. The Select Committee has withdrawn that section form the Act and now, Government can take over any industrial concern which, in the opinion of the investigators appointed by Government, must be taken over. I am glad, Madam, that the hon. Minister of Commerce and Industry referred to my amendment to this clause, while moving for the consideration of the Report of the Select Committee. He said that this power will be exercised only in cases of emergency. I take his assurance. But, my fear is that the clause, as drafted, does leave a loophole and, from the point of view of good legislation, this loophole will not be very advisable and hence the necessity of my amendment, namely, that "In clause 13, to sub-section (1) of the proposed new section 18A, add the following proviso:

> 'Provided that before appointing any person or body of persons to take over the management, the Central Government, shall consult the Central Advisory Council'."

Now, Madam, the hon. Minister of Commerce and Industry has said that Government may be faced at times with situations when they might have to take immediate action. I quite appreciate the force of that argument and, therefore, I would suggest for his consideration a further amendment to my amendment, namely,

> "Provided that before apointing any person or body of persons, excepting in cases of emergency, ..."

Now, this fully covers, in my opinion, the point of view of the hon. Minister. I had some talks with him this morning and he said that if he accepts this amendment the Government will have the onus of proving that in a particular case there was emergency or not. I am willing to concede his point even there and will go further and say that a further proviso to this may be added saying that the final decision as to whether there was an emergent situation or not will be the Government's. I want to make this proviso in this Bill so that it may be within the bounds of sound legislation. I do not want to deny Government of the powers that they want to have, because the Minister again and again appeals that the industry must have confidence in him. I am here to assure him that the industry has the fullest confidence in him. But confidence begets confidence. You cannot just ask people to have confidence and keep the sword of Damocles hanging over their head. Therefore, I would request him that he must create a situation where confidence begets confidence and I am sure he will be repaid in ample measure. He perhaps thinks that if he yields on this amendment, the House will think that he has succumbed to the pressure from vested interests. There is no question of succumbing. I am one of those who

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believe that Ministers must behave in a manner that sweetness comes out of strength and not bitterness. I would request him sincerely to consider my suggestion which is being made in all good faith and to help the Government out of a situation in which they have landed themselves.

I must confess that the amending Bill has caused a lot of misgiving in the mind of private industry, and I am particularly anxious that the atmosphere of responsiveness which the Minister has tried to create is not disturbed because, knowing as I do, on it the implementation of the Five Year Plan depends to a very large extent. Whatever some Hon. Members of this House might say, it depends to a very large extent on the full cooperation of the private sector. Therefore, as long as the private sector is asked to do its mite in order to see the goal which we all want to see achieved, every attempt must be made to create conditions where that cooperation is freely available, and confidence is not destroyed by amendments to Acts, which are, to say the least, unnecessary.

This Act is called Industries (Development and Regulation) Act. It is a very imposing Title. But the industry can well complain that except for regulations and controls, and amendments being made to the regulatory provisions of the Act, there is very little of development that is being done under this Act. What have we seen so far? Only two Development Councils formed during the full one year of the working of this Act. Could we not do more than this? Can the hon. the Commerce and Industry Minister say that by the working of this Act many more industries have been put up?

Shri T. T Krishnamachari: How could it be?

Shri Bansal: The Act is meant obviously for the development of industries. If you think that this Act is not going to help......

Shri T. T. Krishnamachari: Scrap it.

Shri Bansal: ...development of Industries, I do not think the hon. the Commerce and Industry Minister could say anything complimentary about this Act. After all the success of the Commerce and Industry Ministry will be gauged not by what kind of regulations and what kind of controls are being exercised, but ultimately by what development takes place in the private sector. I would very much like to see during the period of office of my hon. friend the Commerce and Industry Minister many more industries developed in this country—big and small —so that the standard of living of the people may rise. I am still having those hopes and it is with this background that I am urging upon him to make this particular clause of the Bill more lenient so that those people in whose hands this very House has given the power to look to the development of industries in the private sector are in a position to give their best in a cooperative spirit.

11 A.M.

My hon. friend Mr. Gurupadaswamy, while speaking almost forgot that this was merely an amending Bill. It is not an original Act. The Act has been there in force for the last one year and, therefore, no useful purpose will be served by saying that this Bill does not go far enough to nationalise industries and much more should have been done in this Bill which has been designed by the hon. Commerce and Industry Minister. He referred to some particular provision in the U. K. Companies Act under which shareholders of companies which are not working satisfactorily are authorised to go before a court of law. I think such an amendment is imminent in our company law also.

Shri T. T. Krishnamachari: A more stringent one.

Shri Bansal: The hon. the Commerce Minister says that it will be more stringent than the British provision. But there is one saving point there and that is that power will be exercised by the authority of law and not by executive authority as is being done under this particular amending Bill.

Then again and again the suggestion is being mooted and supported, which was originally suggested by the hon. Dr. Syama Prasad Mookerjee. His vast experience and the tremendous weight of knowledge which he brings to bear on this particular subject entitles him to be listened to with great respect and I am glad that from that point of view his suggestion has received support. But just by chance I was going through the latest issue of the *Reader's Digest* and I would very humbly invite the attention of the hon. the Commerce and Industry Minister to the Article on page 142. The heading of that article is "Italy in the Red". The particular paragraph reads thus:

> "Italy's economy is a museum of most of the inefficient practices

of the past century. One chief obstacle to a sounder Italian economy is I. I. R. the Institution for Industrial Reconstruction. It is the Government's Monster trust. It is the State's reservoir for leaky private enterprises. It controls more than 20 per cent. of all Italian industries, some say more than 30 per cent".

I am sure the Corporation which the hon. the Commerce and Industry Minister has in view for this country will not become a reservoir for leaky private and inefficient enterprises, because then all inefficient industries will just come into his parlour and I do not know whether he will feel very happy in that situation. The only point that I am bringing to his notice is that before he takes such a step he will ask his officials to carefully go into the proposal and see as to whether in other foreign countries such a corporation has been in existence or not. There might be other countries which might have experience of such a corporation and if they have such a corporation what have been the results, what have been their achievements.

With these words, I would once again appeal to the hon. Minister not to suffer from any false sense of prestige, and accept my small amendment.

Shri Gadgil: I have been the Chairman of the Select Committee to which this Bill was referred. That Select Committee allowed the representatives of the Industries to appear before the Committee and give their evidence. There were also memoranda submitted to the Select Committee by various commercial associations including the Federation of the Indian Chambers of Commerce. Further from what had been said by the persons, who in a sense represent industries in this country, during the discussions on the reference motion and from the Minute of Dissent written by my hon. friend, Mr. Somani, certain common points issue and those common points have in some respects been dealt with by the Minister of Commerce and Industry. What I propose is to supplement the same.

In the first place, if the Bill is an amending Bill it means that it has reference to experience gained from the time the original Act was passed to the time when this amending Bill was first thought about in the Ministry itself. Speaking for myself, I feel that there is full justification; taking into consideration the experience Government had in the course of the last few months about the working of the original act, we cannot put aside from our consideration the broad fact that we are now working under a planned economy and anything that is likely to disturb the disciplines of of the plan must be put down, if necessary, with a heavy hand. Today the Government of India have great purposes. The dimensions of their burden are fast increasing. There is a great urgency of large achievements. All these demand that the instrument of policy must be a strong one. This is not a situation in which one can trust to average and normal channels or average and normal tools. Average persons working in an average way cannot bring about a wholly new or better day. At the most normally, they will give us normal results but it is not unlikely that in a situation of the type with which we are now in they may give less than average results. Therefore, there is a greater necessity to take stronger measures to implement by and large the broad objectives of the planned economy which we have adopted some two years ago.

I do not want to say that what the plan sets is good or bad, but the fact remains that the plan has given a certain function for private enterprise to discharge. Practically industry is reserved for private enterprise but that does not mean that private enterprise can run a coach and four throughout the whole gamut. The whole thing must fit in with the regulated economy and must not disturb in any essential respect, as I said, the broad outlines of the plan. It may be good to say: 'better withdraw the interference in industries and leave them to function as they have been accustomed to so far'. If withdrawal is virtuous, then the capacity to interfere is equally virtuous. Therefore, in the larger context it is necessary that not only the Government should have the power but should have the capacity to manage if the industrial concerns go a wrong way. If there is a good management, it has nothing to fear but if it is a bad management it cannot complain. Therefore if today according to some of my friends and some of the representatives of the industry here and outside some bad psychological atmosphere is being created. I want to assure them as an ordinary Member of Parliament, as one who is at least very much interested in the implementation of the plan that the psychology created by the magnificent speech of the Prime Minister on the 8th of March when he addressed the general meeting of the Federation of

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Chambers of Commerce is still there. If some of them want that there should be no disturbance whatsoever and no interference by the Government, I think that even if the Government want to do that the people at large will not. The Government exists on this condition that they continually do what the people demand. The movement there is a perceptible departure from the expectation the people have entertained about the duties and functions of the Government in the immediate context, that movement the title of the Government to remain where they are ends. I would, however, urge the Government not to brush aside what the industrialists say; they are entitled to a respectful hearing and that is one of the reasons why they were given a hearing in the Select Committee.

I entirely agree with my hon. friend, Mr. Bansal that there should be confidence and confidence begets confidence, I ask him: Is there anything in this Bill either in the original or in the amending Bill which should be a danger to good management? If there is bad management, gross mismanagement and according to the new draft, if it is necessary in the public interest to take it over, what is wrong there? I therefore submit that whatever the amending Bill contains and whatever improvements have been made in the Select Committee, I am firmly of the view that they are all to the good and in the highest interest of the public. We are not today posing a problem in order to find a choice between welfare and nationalisation. If that was so my line of argument would have been different. If I had something to do, I would straightaway say, Yes; we want nationalisation, if not today but tomorrow, and because that is our ideal in the ultimate analysis, we want to see that nothing grows in between this moment and that one which will mean taking over of the industries by the State, a matter of great difficulty and perhaps of disaster. If a boy is to be adopted generally in orthodox Hindu families—I am orthodox for the time being—he is trained in the manner and morals of the adoptive family. May I also venture to give another simile? In the lives of great princes whenever a bride is to be fixed, she is fixed and then trained in such a manner that she is mentally fit to be the princess and that she will be up to the mark in the family where she goes and rules. Therefore my consideration is that all the industries which are for the time being in the private sector and to which we are bound to give all reasonable latitude and necessary encouragement, must proceed in a fashion that in the end when the State thinks that the time is ripe to take over the industries from the private sector and put them under direct Government control, there should be no difficulty.

I am conscious today of the fact that there is a lot of criticism that Government has not got the necessary administrative talent and administrative experience. I entirely agree that it is because of this reason that we are now in a phase which we have termed a 'mixed economy'. But mixed economy is very hard to operate and manipulate. In the first place it is very difficult to give any sort of assurance to domestic investors; much harder to give any assurance to the foreign investor. But at the same time we must have the position thoroughly clarified at least in terms of the next few years, so that those who want to invest may know clearly where they stand and those some of us, who are anxious that all these things must be taken over in the highest interest of the public may also know how long we have to suffer under this particular mixed economy.

There is no question of giving up controls at all, for control is the very essence of a planned economy, and those who are opposed to price and distribution control which is embodied here are really opposed to planning, though they may say that they are not. Mr. Somani, in his minute of dissent, has shown his full concurrence with the principles underlying the Bill. He is a very shrewd businessman, he knows the signs of the times and knows there is a limit beyond which we canot take the country back. Therefore he has accepted what is inevitable. He agrees that the principles are all right, but by suggesting certain amendments it may be that the entire effect of the whole legislation might be reduced to nothing. After all, if we agree with the principle, let us take his agreement, and let us disagree with his method and go ahead, without creating any atmosphere of bitterness or anything of that kind.

The main points, as I said, that emerge from the consideration of the memoranda, the speeches of those who may be said to represent (in an indirect manner) the industries, and the evidence given shows that their great grievance is that you are disturbing the psychological atmosphere. I have already dealt with this, but I would like again to dilate just a little on it. I want to ask the industrialists to just consider the proposition I am putting before them. They have been complaining that because of the Government method there is no capital formation on the scale on which it is desirable. I put this proposition for whatever it is worth: let them take no dividend for the next five years and plough back the whole thing in the industry concerned. There will then be enough capital. The great problem which faced the Government and which ultimately made Government to decide on keeping the sphere for private industry was this, because they have not got enough resources. Now, resources can be found even inside the country. I am of the view that if the people are properly approached they will tighten up their belt and make the necessary sacrifice in the present so that the future may be better. But that atmosphere of great urgency and expectation is only possible if people know that everyone in the country is making the necessary sacrifice and not that few are having all the best things in the world and the majority is having nothing. Therefore, if it is a question of raising the capital in a poor country like India, I am of this faith and of this judgment having studied all the necessary factors that we can to a cconsiderable extent raise capital from our own industry and assure in the end a higher standard of life for our people. Therefore, if the industrialists are anxious to create a nice psychological atmosphere, the Government, I am sure, will do everything on its part to give them material, equipment licences, guidance, technical assistance under the Point Four programme or whatever it may be—and they are already getting them. I have no right to assure on behalf of Government. But with such moral right as I have as a Member of Parliament, and a little more as an ex-Minister, I assure industrialists: Government will go all out to help you if you make a declaration for the next five years "we will not take any dividends but will plough them back in the industry itself". It is a good bargain!

Shri Bansal: What will happen to taxes?

Shri Gadgil: Taxes are there for current expenditure. You do not want us to starve the entire Government administration and the welfare services on which we have already entered. But even there, as I have said often, industries in this country and the rich classes in this country are not taxed as much would be justified in the circumstances. Some weeks ago, while speaking on the budget, I gave facts and figures to show that whatever concessions and reliefs were granted in the matter of Income-tax went to the upper few and those who were down below, particularly those who were in the middle groups and grades, suffered most. But that is not the point I am making today. What I am urging is if you want to have a right type of psychology created in the country, you move and we shall move, and the consuming public also will know here are industrialists who after all have become patriotic and here is a Government which means business. The result will be that there will be all-round progress in the near future.

Then the other point that was made out was about the definition of new article and expansion. I think the Minister has already explained that. What I am now urging is that just as the mortgagee is not justified in improving the mortgage property in such a manner as to make it impossible for the mortgager to redeem the mortgage, similarly you cannot allow the existing industries to expand in such a manner or be allowed to manufacture such new articles or on such a large scale that ultimately the discipline of the Plan will come into jeopardy.

Further, taking the industrial position as it is, the entire industry is not under Indian control and management. There are companies which are known as 'India Limited' and having first got, so to say a nucleus, some place to stand on, they are fanning out. That has been our complaint. I therefore hope that this power of licensing new articles or of allowing expansion will be used in reference to cases to which I have just made reference. But for normal expansion of production or normal addition to capital or replacement of machinery it will not be necessary to have licences, and all that will be allowed.

A great point was made about what was in the old Act and what is proposed in the new Act about taking over of management. Now, undoubtedly, there is a change in the procedure. The new Bill contemplates three definite situations. Where it is possible by a mere direction to advise, then, Government will not take over. If the Government thinks that the investigation reveals a state of affairs, not gross, but a little less than that, where a direc-

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tion and time for re-arranging the management or reconstructing the whole thing will be justified, I am sure the Government will do it. But, where there is a situation which is so gross, and any time given to the existing management really means an abuse of national resources, both in material and men, I think Government will be justified in taking over the industry quickly and promptly. It is only in that category of cases where by a detailed consideration of the results of the investigation, Government cannot but come to the conclusion that it is in the public interests—not merely because of the gross management in the company's affairs itself but in the wider context, it is necessary to take over quickly—then the industry will be taken over. It may be manufacture of very essential articles from the point of view of defence; it may be manufacture of very essential articles from the point of view of the people.

Mr. Chairman: The hon. Member has already taken 20 minutes.

Shri Gadgil: I shall finish in a minute. These are the points which have been made, and my own view is that all of them have been effectively answered. The setting up of a Corporation of Management was referred. I do not think that I like the idea. But, public administration in the new set up means a different administration. It has got a new purpose. It must have new learnings and new understandings. Government should think immediately starting on their programme of constituting a new cadre: they may call it Managerial service, or cadre of Economic service. You must have the men to masnage before you take over undertakings for management.

Shri Damodara Menon: The hon. Minister in his introductory speech said that there should be no provisions in the Bill or no amendments to the provisions in the Bill which would fetter the hands of the Government in their endeavour to undertake and manage industries which are mismanaged. I entirely agree with him. But, the suggestions that some of us have made or want to make are intended mainly to strengthen the hands of the Government in their attempt to take over industries for management.

Here in this country we are faced with a peculiar situation. We have a mixed economy in which we have allowed the private sector a definite programme, and also a definite place in our industrial life. My hon. friend Mr. Gadgil just now said that the policy which he contemplates—I do not know whether his opinion is shared by the Government—is that the private sector of our industry should be taken over and nationalised by the Government at a future date. If not today, it must be tomorrow. I would like to know from the hon. Minister whether he would endorse that view and whether it is his opinion also that in the near future the private sector of our industry must be taken over by the Government. If that is so, even in our consideration of this Bill, we must see that we create the necessary machinery and also the necessary psychological atmosphere which will help us to take over the private sector at the proper time.

The hon. Minister said that it would be wrong on our part to create any conditions in this Bill which would fetter the hands of the Government. While I agree with him, I would suggest that there are certain factors which Government will have to take into consideration if they want to run the undertakings which they take over in a successful manner. The hon. Minister cited the instance of an illustrious industrial magnate whose services he had required and whose services to the particular industry in charge of which he was put, were found to be very satisfactory. There may be many such cases. I have no doubt about that. But, the thing we have to consider is whether, in launching upon a policy like this, in which Government wants to bring the private sector under stricter control and when the necessity arises, Government also feels that some industries must be taken over, we should depend for the management of the undertakings which are taken over by the Government, on the goodwill of certain individuals, whether we should employ or take the services of people who, on an ultimate analysis, may be found to have no faith in the Government's policy. We know, of course, there have been statements made here even today by responsible Members who are industrialists themselves, that they have no quarrel with the principle underlying this Bill. All the same, it is my feeling that ultimately when it comes to the State stepping in and taking over the industries in the private sector, our vested interests will not succumb to it without a protest. It may be to their interests to show that after all wherever the undertakings have been taken over by the Government, the results have not been successful and therefore it may not be right that the Government steps in and takes over. I am not casting any reflection on any particular individual. But, it must be our look-out to entrust the management of the industrial undertakings which we take over to the people who have really a living faith in the Government management and who also stand to benefit by the Government running these industries. Therefore our suggestion has always been that when you think of taking over an industrial undertaking, you must see that the people who stand to benefit are also put in the place of management. So, labour who ultimately stand to gain by the Government running the industries on a national basis must find representation on the management.

As has also been suggested, we must try to create a cadre of men to help the Government in the running of these industries in a proper manner. Especially if it is the policy of the Government to take over the private sector of our industry at a future date, it is necessary for us to create such a cadre of efficient men. In the Industrial Policy Resolution of 1948, as I have pointed out, Government said that they were contemplating the creation of such a cadre. But, I am sorry to find that no real attempt has been made in this direction.

A suggestion has been made that it would be better for us and in the interests of the country if we think in terms of creating an Industrial Management Corporation. I do not know what the real shape of that corporation will be. The hon. Member, Mr. Gandhi suggested that the Industrial Finance Corporation may also be associated with that, and made to form part of this Industrial Management Corporation. I do not know in what precise terms he is thinking, about the shape of this corporation. My own feeling is that, after all, if we are creating some such corporation with private interests therein, and also asking the vested interests to have a share in that corporation, probably, it may not serve the purpose for which it is intended. My idea is that we must create an instrument here to train the people who will ultimately be capable of taking over the industries when the proper time comes. Instead of creating an Industrial management Corporation, it would be better for us to think in terms of creating a cadre of men who will be capable of serving the Government when it thinks that it is time to take over certain industries.

In section 18A under which Government are given powers to take over there is one point to which I would like to draw the attention of the Government and the hon. Minister. An improvement has been made by the Select Committee today. An industrial undertaking which is managed by the Government need not be handed over back to the private management after five years. If the Government think fit, they may continue the management for some more time. That is an improvement on the present Section. A lacuna has been filled. But I want to know from the hon. Minister whether, when they think that it is time for them to hand over the management and control of these industries to the private management themselves, they will take care to see that the persons who have been responsible for mismanagement and also for the working of the industries in a manner which is prejudicial to the public interest are not again chosen as managers. What provision can we make in this Bill to safeguard the interests of the nation at such a time? The case now is this: Government are taking over a business which, in their opinion, has not been working to the interests of the nation and also which has been mismanaged grossly by the persons who are in control. Now, when they take over, they employ men and they also probably may have to find funds—I do not know how the Government is going to solve the problem—to run the concern in a proper manner. Having done all that and put the industry on a sound footing, are they going again to hand over the industry to the very persons who were responsible for bringing about the calamity which the Government wanted to avoid? I would, therefore, suggest that provision should be made in this Bill itself, if possible, by which the Government can see that the very same persons who are responsible for mismanagement are not again put in charge of the business.

Another point I want to bring to the notice of the House. It has been asked whether it would be possible for the Government to take some kind of legal steps against the persons who, in their opinion, have been responsible for the mismanagement of the concern. Provision is made here in this Bill by which the Government can go to a Court of Law to see that

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agreements entered into by the management are altered or varied if it is found that those agreements have not been entered into with a view to make the concern run in a proper manner. That power has been taken by the Government in Section 18A, but can we also not provide that if it is found by the Government after taking over that there has been some kind of gross mismanagement and also neglect owing to which the industry suffered, legal steps will be taken against those persons who are responsible for that? Will it not be possible for us to take such legal steps? That is only doing justice to the shareholders who may ultimately not have had any voice in the management.

The next point I want to suggest, and which has been noted in the Minute of dissent by Mr. K. K. Basu, is about the employment of Managing Agents. The hon. Minister might say—of course, he referred to that when he was referring to the minute of dissent of Mr. K. K. Basu—"Let there be no fetters to the hands of Government; Let them choose any person they find necessary and capable of running the industry". That is a good proposition, but I want the Government to view this matter from another standpoint. Now, the Managing Agency system has been condemned by all responsible sections of public opinion. Even the responsible leaders of private sector are themselves doubting whether this Managing Agency system should not be abolished. If the Government should utilize the Managing Agency system to run undertakings which they are taking over, would it not mean that they are giving a stamp of approval to the Managing Agency system? That is a dangerous tendency which we must avoid. It may be that the Government may not find it necessary to employ any Managing Agent at all. I hope the Government will not use the Managing Agency system to run any undertaking which they take over. But even so, from the speech of the hon. Minister I had an idea that he is thinking also in terms of using, if possible, the Managing Agency system to run the undertakings that Government take over. Now, there is nothing inherently wrong in the Government employing the Managing Agency system, but owing to the opinion in the country against the Managing Agency system—I hope the Government also are not very much thinking of continuing the Managing Agency system in our country—would it not be better for us even now to say categorically that in the management of these undertakings, the Government will not utilize the Managing Agency system? It would be better for them to have, as I suggested before, a cadre of men who are capable of undertaking this work, and when such a choice is made, they can also see to the claims of the persons who are actually working as employees in those concerns. Their help also can be made use of. If we, as a matter of policy, adopt this, I think the Bill as it has emerged from the Select Committee can be adopted by this House without any dissent, because, as I have stated before, everyone who has the interests of a planned economy at heart, must welcome any measure that the Government introduces to bring the private sector under stricter control and to make the private sector serve the national interests, and not private interests.

Shri T. N. Singh (Banaras Distt.-East): I have been watching with interest the various views expressed on this very important measure. While, on the one side, it was quite interesting to listen to our friends here on the right stressing the greater need of State control and even deploring that this measure does not go far enough, there were others who felt that we have to be a bit lenient. I feel that this is a very important measure on which hangs the success of our Five Year Plan. And whereas it should not be our desire to go to the extent of nationalising every industry—because, that is not the accepted policy in the Plan itself—we have to see that the Plan does succeed and no squeamishness is allowed to stand in our way. When in this context I listened to certain of the speeches and heard of certain leniencies being offered, I was myself amazed. What we need is a clock-like functioning of the Five Year Plan. Nothing should be allowed to stand in the way of its progress and whosoever comes in the way—whosoever he be—has to go under and the Plan has to come above. That should be the attitude. So when I heard that Government need not take over certain industries or they should consult this and that organization before that is taken over,—in a way delay the taking over of such undertakings—when I heard such pleas, I felt: did big business really mean business? That was the point which struck me.

In the past 30 or 40 years this poor country of ours has suffered, has invited suffering, so that our industries may flourish. Do we not remember the days of Swadeshi when many of our stalwarts, many of our patriots, went to jail because their offence was to propagate Swadeshi articles. They were badly made. Our Mills, these textile mills which have now become giants, are built on the sweat, the blood and the suffering of our people. And yet, when the same industrialists come and say "you should be lenient to us", I feel it. We have to see that they subserve the national interest, not that the national interest may subserve their needs. That is very important.

Another thing is that if one looks at the schedule, one would find that most of the industries are protected industries, that is to say, for years and years the nation has been making sacrifices so that these industries may flourish and grow up. Now, what is there for us to be lenient? Need we not be lenient to the consumers also? The consumers have to pay more price. Imagine the plight of an ordinary school teacher on a salary of Rs. 50 or Rs. 60. He must buy *swadeshi* goods, even though his son may be deprived of an ounce of fat or oil or ghee, by paying a little more. I say, he makes that sacrifice daily. If in the interests of the nation, in the interests of regulated production and growth, or in the interests of planning, if on account of these things Government comes forward with a measure that says that a particular industry is not being run in the national interests and therefore Government must step in,—if that happens, then people forthwith say: Please halt, please delay, please consult this organisation or that organisation. This plea should never be accepted. After all, the nation wants to go ahead. The entire nation's interests are involved in this question. A particular industry should not be allowed to stand in the way.

After all what do the industrialists want? They want free play, free enterprise, free competition, *laissez faire* etc.—all things that go with the classical school of economics. They want all these things for what purpose? —for the purpose of increasing their capital assets, and they expect the consumers to go on paying more price. If that is the only thing, then I say that the country in its present temper will not, cannot, and shall not tolerate it.

After all, what does this Bill seek to do? It only says that, in the context of the Five Year Plan, if a particular industry is not being managed well, or if it is not producing to the extent it is expected to produce, then Government shall have the right to step in and see that it does produce what it is expected to produce. That, in substance, is what this measure seeks to do. I am yet to find a single individual, either on this side or on the other side, who will object to this. I do not think that even our Opposition friends would think in terms of or advocate immediate nationalisation of foreign concerns. They know the limitations.

Shri Nambiar (Mayuram): We are concerned only with the foreign concerns at the moment.

Shri T. N. Singh: I will come to that. I am glad he has referred to it. If a man in the industry expands himself with his money power to a certain extent and that stands in the way of another poorer or weaker section, they call it free play and free competition. Even at the risk of raising some heat and controversy, I make bold to say that if the money comes from Moscow, it is all right, but if it comes from elsewhere, it becomes different. If the technicians come from Moscow, it is all right, but if they happen to belong to some other country, it is different.

Kumari Annie Mascarene (Trivandrum): All wrong.

Shri T. N. Singh: That is not the approach we should have. It will be recalled that only a few minutes ago I stated boldly in this House that, considering the way in which some of our industrialists have not come forward with their capital and who have, I am sorry to say, not taken the interests of the national good into account but who have rather sabotaged all attempts at accumulation of national wealth, I stated, that those people can be taught a lesson only if we show them that we can proceed despite them. We can do so by accepting foreign capital which is willing to work under our conditions and limitations. There should be no objection to that. This unnecessary and loose propaganda about foreign capital will not take us anywhere. We have to look at facts and face the situation. The situation is that our industrialists, or rather our financiers, have not come forward with that open-heartedness which is expected of every patriotic Indian national. Similarly, I do feel that some foreigners always

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have some strings attached to their aid. I am aware of it. All the same, we should not spurn their offer in regard to investing capital in certain other industries than are dealt with by the State directly. If they are prepared to abide by our rules and regulations and fall in line with State policy, I see no objection to utilising foreign capital or national capital. There ought to be no objection if the national policy as it is being pursued is pursued and these people are not allowed to obstruct the nation's progress.

Shri T. K. Chaudhuri (Berhampore): What does the hon. Member say about nationalisation of basic and key industries in terms of the Karachi resolution of the Congress?

Shri T. N. Singh: I do not think anybody here will say that he is not in agreement with the nationalisation of basic industries. But our colleagues ought to know the various difficulties which our young nation has to face. As a matter of fact, some of them have told me privately that we should not attempt too many things. That is the sober advice which they have given in some of their sober moments. So, let them not make capital out of this. Personally, when such issues are raised, I feel, that they are raised only to deflect the nation's path, or create differences in the national mind and national consciousness. That I suggest, is not desirable. I know my friends mean well by the country, but I want to tell them that it is not desirable to create differences or indulge in hair-splitting when we have achieved swaraj after so many years. Let us not get involved in many things. Let us keep the objective straight before our eyes and pursue it.

That is why I welcome this Bill. It has a limited scope. It seeks to serve a particular purpose, and let it serve that purpose. Let us not deflect ourselves and confuse our mind with many things. There is no need to bring in either State undertakings or *laissez faire* into this. This Bill is just an attempt to bring all these industries in a regulated manner under our control. That is the object. The private sector, as it is known, is perhaps one of the weakest sectors of our Plan. We do not know what is going to happen. It is one of the unknown quantities of the mathematician or philosopher. We have to adjust and see how we can bring it into line with our Plan. That is, at least, my humble approach. Therefore, without going further into the various clauses of the Bill, which my other hon. friends have ably done—they must have devoted a lot of time to studying them—, I just conclude with an appeal that we should pursue this Bill in the spirit in which it has been introduced. Certain *lacunae* were found and some changes were necessary in the light of experience. We are trying to remedy the defects. That is the only way in which this Bill should be considered.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): I welcome this Bill as far as it goes and I do not wish to dwell on the different provisions of it. It seems to me that there are industries to which the attention of Government has not gone yet. One such industry is the sugar industry which should be developed and regulated, because, although we have produced nearly 15 lakh tons of sugar this year, it is impossible for all of it to be consumed in our country. The main reason why this sugar is not being consumed and the Government have a head-ache as to what to do with it—and sometimes intend to subsidise export—is that the price is too high. As far as I am informed, the controlled price of sugar fixed by Government in India is nearly Rs. 10 per md. higher than the world market price. If that is so, then by having a high revenue duty on sugar, we are shutting out imports from foreign countries which the consumer would be buying at, say, about Rs. 20 a maund. Thereby we are mulcting the consumer to the tune of over 30 crores of rupees a year. And what is more is the fact that the sugar industry is really not scientifically developed. People generally think that because the sugar industry was protected over 20 years ago and within 20 years it has produced more than the people can consume, therefore the industry has been developed very well. But that is not so. The fact is that sugar cane is the principal raw material out of which sugar is made and sugar cane does not grow luxuriantly in any but a fully tropical climate. In India, the fully tropical climatic region consists of the States of Bengal, Orissa, Madras (excluding Malabar) and Deccan Maharashtra. In Madras I also include Mysore State. This is the tropical belt where sugar cane should be grown. But unfortunately, when in 1931-32 a high protective duty was given to sugar to exclude Java sugar, the capitalists who went into the business—they were nothing but petty traders who had made money in the cloth business and when Manchester cloth was stopped the selling of Indian cloth was not so inviting—wanted to invest their money in sugar and when they went to Bihar and U.P. and found hundreds of thousands of acres of sugar cane growing, they put up their mills all over those two States. But what we find now is that the yield of sugar cane in Bihar and U. P., on the average, is not more than 15 tons per acre. It used to be 10 tons at the time the protective tariff was given. But during the last 20 years with all the research work that has been done by the Centre as well as those two States, the average has gone up to about 15 tons while in Madras, Mysore and Maharashtra the yield is anywhere from 40 to 50 tons per acre. Consequently, we are making use of land for making sugar for our consumption in U. P. and Bihar which could be produced in South India—in Maharashtra, Mysore and Madras—on one third of the acreage. That is to say, the acreage roughly, I calculate, is about 800,000 at present out of which we make our sugar, and if the sugar cane were grown in the tropical belt, then only 267,000 acres of land would be required to produce that sugar. Therefore, nearly 530,000 acres of land are being wasted—which should grow foodgrains. Unless this is done and if the high revenue duty remains, then the people of India will always be paying many crores of rupees every year to get their sugar which they should not if the market would be open to foreign sugar to come in. We do not want foreign sugar to come here; we want to be self-sufficient. What I wish to point out is that the industry has been located in an area which is not suitable for growing sugar cane and it should be the duty of Government under this Act to investigate this matter and put the industry where it belongs, where we could get the maximum out of the land that we engage in this industry and release the lands that should be growing foodgrains instead of sugar cane, because the yield of sugar cane in the Northern India area, I believe, will never go up, as even with about 25 years' research work the maximum that has been done is increasing the average to 15 tons per acre.

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Shri T. N. Singh: What about Orissa?

Shri Sarangadhar Das: Orissa is in the tropical belt. You have to try there—in Bengal and Orissa. I know in Bengal particularly, in the area where they have sugar factories—Murshidabad—the tonnage of sugar cane yield is much higher than in Bihar or U. P. So will be the case in Orissa. It is not a matter of talking about this province or that province or having a grudge against any province. That is not the point. The point is that the climate in North India is against growing of sugar cane. After the monsoons, the cold weather sets in. So the sugar cane is not able to grow luxuriantly as it does in fully tropical climate, and then in the month of March *loo* begins to blow. Consequently, your period of sugar cane crushing is somewhere about 100 to 115 days while you find in Maharashtra, Mysore and Madras, where they have sugar factories now, they grow richer sugar cane—which cannot be grown on a large scale in North India—and they crush their cane for anywhere from 150 to 180 days in the year. Therefore, you have to look at it from the point of view of economics and determine which land is suitable for which crop, and grow it there. If that crop is taking up a lot of land at the present time, which should go to some other crops, that should be done as quickly as possible. Therefore, my point is that under this Act,—I see in the schedule sugar is included—such an important thing has not been given the attention that it deserves. Going into this matter of whether the sugar industry should move from the North to the South or remain there, if it remains there, then I would demand that the high revenue duty should be abolished and the market should be freely open to sugar from all over. Then, I can strongly affirm that if the revenue duty is abolished today, tomorrow all these 150 factories in North India will collapse; they cannot last. At the same time, when I spoke in the beginning about the development, what the industry has accomplished here, I gave my approval to what has been done because out of a very poor quality of cane, the manufacturers in India have extracted the maximum of sugar, which some of the foreign sugar technologists felt surprised that this much has been done. Of course, in the industry there are other flaws which have not been remedied yet. But, that is beside the point. I only want to say that the sugar industrialists, in the beginning, did not know anything about the technology of the industry; they have now learnt it and they have improved a lot and that is the maximum that can be done. The economics of it is this; you are getting out of 8,00,000 acres of land in

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North India as much sugar as should be obtained from a little over 2,00,000 acres of land in South India. If that is moved to South India, you can thereby release over 6,00,000 acres of land for foodgrains. This is a very important and urgent matter and I wish that the hon. Minister concerned would look into it and investigate and find out whether what I say is feasible or not.

सेठ अचल सिंह (जिला आगरा—पश्चिम): यह बिल जो इन्डस्ट्रीज मिनिस्टर महोदय ने पेश किया है वह देश के वास्ते बहुत आवश्यक है । देश की खुशहाली खास कर भारत जैसे देश की, इन्डस्ट्रीज पर ही मन्हसिर है । हालांकि हमारा देश भारतवर्ष एक कृषि प्रधान देश है, लेकिन कृषि के अलावा खुशहाली के वास्ते इंडस्ट्रीज की भी बहुत आवश्यकता है ।

यह जो बिल पेश किया गया है उस में इंडस्ट्रीज के ऊपर जो बन्दिशें या कन्ट्रोल लगाय गए हैं वह ज्यादा अच्छे नहीं मालूम पड़ते । क्योंकि यह ठीक है कि जो प्राइवेट इंडस्ट्रीज वाले हैं वह बहुत ही गड़बड़ करते हैं और बहुत नामुनासिब तरीके पर इंडस्ट्रीज को चलाते हैं और गवर्नमेंट का इन्टरफिअरेंस भी जरूरी है, लेकिन इस की भी एक हद होनी चाहिय । इस वक्त तो स्थिति ऐसी है कि कांग्रेस गवर्नमेंट है, और कांग्रेस के ही मिनिस्टर्स हैं । वह लोग कहीं पर अनुचित हस्तक्षेप नहीं करेंगे । लेकिन हो सकता है कि कभी कोई दूसरी गवर्नमेंट हो और वह इस अधिकार का दुरुपयोग करे । ऐसी सूरत में आज जो इंडस्ट्रीज हैं उन में ज्यादा दखल नहीं दिया जाना चाहिये । लेकिन साथ ही साथ यह जरूर देखना चाहिय कि जो माल इंडस्ट्रीज वाले बनाते हैं या तयार करते हैं वह स्टैंडर्ड के माफिक तैयार करते हैं या नहीं । अगर कोई फैक्ट्री आर्डर दिए हुए स्टैंडर्ड के खिलाफ काम करती है या घटिया माल तैयार करती है तो उस में जरूर इन्टरफिअरेंस होना चाहिये ।

इसलिए में इस बिल का स्वागत करता हूं और आशा करता हूं कि मंत्री महोदय इस का ठीक उपयोग करेंगे ।

Prof. D. C. Sharma (Hoshiarpur): I rise to welcome this Bill for I think this will do a lot of good to our country in general. I do not think it is necessary to go at this stage into the philosophy underlying this Bill. I think that point has been discussed by several Members from this side of the House as well as from that side of the House. I remember that Sardar Patel said once that our country was not yet fit to go in for wholesale nationalisation and I think the words that he spoke some years ago hold true even today. I also know that Pandit Jawaharlal Nehru said some time ago that private industry was not doing so well and that there were certain cracks which constituted national danger in that industry and, I believe, that the statement still holds good.

Well, there are so many kinds of enterprises going on in the world today. There are some friends who stand for State capitalism and there are some friends who stand for a system of private enterprise, but, I think, to call our economy a mixed economy is not the right thing. I would say that our economy is, to be very frank, service economy. I mean, we do not stand pledged to any dogma so far as economics goes. Unfortunately, we are living in a world governed more by dogma than by practical considerations. Our economy, I think, has all along been such which eschews dogma and which takes into account maximum interest of our nation, the maximum good of consumers and the maximum development of the resources and the man-power of our country. I believe that underlying all the developments that we are undertaking these days, there is the desire to improve our country all along the line. My friend, Mr. T. N. Singh, said just now that this Bill had a very simple objective. I agree with him. The objective is that in the context of our Five Year Plan our production should not diminish. We should not suffer from under-production. I would say that this Bill aims at the conquest, if I can use that word, of under-production. And, I believe, that this is a very laudable objective which the Bill has. But, while listening to the speeches both from this side of the House and from that side, I have come to one conclusion that though every body is in full agreement with the principles and objectives of the Bill, that though nobody takes objection to the objectives which this Bill sets forth, still this Bill has given rise to a large number of fears. I would, therefore, say that while this Bill is going to overcome the fear of under-production, it should also overcome so many other fears which have been voiced in the House today. Let me, refer to some of those fears and I believe that our Commerce Minister will do his best to allay those fears.

First, there is the fear of bureaucracy, the fear of our bureaucratic machine, a very unimaginative machine, a very rigid and inflexible machine, which is not very often conducive to the growth of certain things. Of course, the new bureaucratic machine that we have now has undergone some wholesome changes. All the same several Members of this House have expressed their fear of the rigidity of control which is associated with the bureaucratic machine. I would say that this fear should be allayed in some way. This fear can be allayed only in this way, that our bureaucratic machine should not be allowed to keep its stranglehold too much on the industrial development of the country.

Again there has been another fear that has been expressed in this House —the fear of vested interests. I think that fear is more or less—as it has been said—a psychological fear. They think that every change that comes is a change for the worse. I do not think so. All the same some vested interests have voiced their fear. They should be told that there will not be undue interference with their working if their working is conducive to the good of the nation.

Fear has also been expressed of the British capital and also other foreign capital. I know foreign capital is coming into India in a very serpentine manner, in a very insidious manner, in a very clever manner. Of course, I do not say that we should not have foreign capital. I do not belong to the school to which some of my hon. friends belong. But all the same I say that we should be very careful in giving asylum—if I may use that word—to foreign capital. Only the other day I was told that there were some people from some country —I do not want to mention names, because the moment you mention names, there is suspicion somewhere —who wanted to establish some industries in this country. They have no capital; they wanted to bring their machines to be worked here. I would say that our economy should be conducted in such a way that we do not let our industries be run by and large by foreign capital. We should attain self-sufficiency in that sector as soon as possible. We should not, in the first place, have any prejudice against them. But at the same time we should not welcome them, so to say, with open arms, so that our economy is run by them to any appreciable degree.

Then fear has been expressed of our governmental incapacity to run certain undertakings. This is a very genuine fear. This fear is not to be found only amongst the Members of this House, but it is to be found all over the country. The common man talks about this. Whenever Government takes over some industry, or some concern, they think that the concern will not work profitably. A very valuable suggestion was made that if we are going in for what is called in the United States of America "managerial revolution", we must train people for that. You cannot depend upon those persons who have come through examinations and interviews conducted by the Public Service Commissions to do all kinds of work. You should not think that the I. C. S. and I. A. S. are men of all work. So, we must have a new cadre of persons who can handle managerial work, who can run the industries. We must bring into being a new cadre.

While listening to the debates I found that while every one has approved of the principles underlying the Bill, they have expressed some fears. I have also some fears of my own. I shall stand corrected if I am wrong. I think this Act has so far remained inoperative. It has not been put into action so far. If the amending Act is going to remain as inoperative as the original measure, or if it is not going to be as fully operative as it should be, I believe that the whole purpose of the measure would be defeated. So, I would suggest that the provisions of this Bill should be

[Prof. D. C. Sharma.]

put into force at once, and we should pursue the development and regulation of our industries with as much of vigour, drive and initiative as possible. It is no use passing Bills and making them into Acts unless we are able to do something.

Speaking in the context of the Punjab, I can say with confidence that this measure can do a lot of good for the whole of India. You know that my State is what I may call a refugee State, a truncated State. When the Punjab was divided into two parts, most of our industries were left in West Punjab, not only industries but labour, raw materials, etc. In fact West Punjab was developed at much greater speed than East Punjab. If the principles underlying the Industries (Development and Regulation) Act had not been applied to the truncated State of the Punjab, the Punjab would have been in a very sorry plight, and would not have made progress as quickly as it has done. Now what have they done? In the Punjab we are going to build up certain industrial towns and we are going to specify certain industries which would be developed in those towns. I think that is the idea of this Bill also. I would say that something has been done to localise industries and something has been done also to specify the quantum of production for each industry. At the same time I find that every attempt has been made to locate industries at those centres where they can flourish easily. Where there has been unplanned economy, the Punjab has suffered grievously. There were two sugar mills in the Punjab. Perhaps, the Punjab did not need these sugar mills. The result was that one of the sugar mills had to be closed. So far as the Punjab is concerned, so far as our country is concerned, this Bill will prove to be of great advantage. At the same time I want to make two suggestions before I resume my seat. We are going to have a Central Advisory Council. I find that the hon. Minister is not very attentive. He thinks that he has finished his job. (*Interruption*). That is very good. He is regaling at this time. There is no harm. I do not object to that because you know, he thinks that he need not listen to any of us. (*Interruption*). I am glad that he has a wholesome attitude towards us. I would like to make a few suggestions. One day he called me a poet Member. He need not listen to speeches. I may be wrong....

Shri T. T. Krishnamachari: I did not call the hon. Member a poet. We have a poet in the House.

Prof. D. C. Sharma: So far as our Development Councils are concerned, their number should be increased. So far as the Central Advisory Board and the Development Councils are concerned I find that the constitution is such that no scope is given for those people who make an objective study of the industrial and economic problems of our country. When I look at the U.S.A. or when I read the literature of the U.S.A. I find there that whatever the problem may be university teachers and professors of the relevant subjects are drafted into service and they are asked to give a reasoned, cogent and well thought out scheme for the solution of a problem. Shri Mahtab, our General Secretary after his visit to America gave us a talk and he told us what is happening there, namely, that they turned over the national problems to these professors.

Shri T. T. Krishnamachari: May I interrupt the hon. Member. The Central Advisory Committee was constituted by Mr. Mahtab and not by me.

Prof. D. C. Sharma: Anyhow, I do not want to enter into the reasons about persons but whoever constituted it at the beginning and whoever may constitute it today and whoever may constitute it in the end, I would make a humble request that the academic talent of our country, (*An Hon. Member*: Most unpractical), which can give you a reasoned, cogent survey of the problem and a reasoned, cogent solution of the problem should be tapped. My hon. friend just now said that the academic men are the most unpractical men. Well, it is not like that. The academic men may not be able to run a factory; they may not become the managers of a factory; they may not become partners in big business. The academic men are the best fitted men for the survey and solution of the problems which exist in our country. These are the persons who are fit to place our industrial and other problems in their proper perspective.

Shri oachim Alva (Kanara): I certainly congratulate the hon. Minister for bringing forward this measure, as reported by the Select Committee. This measure is one of the real measures which will bring the welfare State nearer to us. The foundations of that welfare state will become effective with the control of the major industries by the State—industries which affect the destinies of so many industrial workers in our cities as well as those workers who will be drafted from the villages into our cities. Though the subjects in the schedule are less and few, though they do not embrace all kinds of manufacturing activities, yet, we have made a serious beginning in the sense that Government shall eventually control all manufacturing industries and above all eliminate the influence of blackmarketeers, who have made enormous fortunes during the last war and who have still not yielded their fortunes in the interests of the nation.

There are about 150 jute mills in India. I do not know the exact number, but I am giving the approximate number. There are about 400 textile mills. The textile mills and the jute mills are the 'lords' of our industrial life. They seem veritably to draw gold and silver out of our industrial life. As against these mills, we have got 500 insurance firms which are somehow or other interlocked with these factories. I would like the House to X-ray our position where our industrial activities are concerned, where our activity in Government departments are also concerned. The Government shall not be satisfied by merely taking over powers on the one hand, but the Government will have to be satisfied with the instruments and weapons which are in its hands in the shape of its officers, who must be men above board. They should have men and officers of character, integrity and patriotism, men whose reputation shall not be tarnished around the drawing rooms and corridors of the land as recent events have shown, where the ex-Secretary of this very Commerce and Industry Ministry has had to face a trial. In the Indian Civil Service we should have upright men who decide the fortunes of the nation, men whose character shall be unsullied. They shall not take refuge under service regulations. The Government of India shall not find it difficult to 'fire out' a man or dismiss him the moment anything is proved against his character; when that individual is proved to be harmful to the interests of the nation. These officers shall not take technical refuge by being transferred from one place to another, to evade action against them. I say this with all sense of responsibility that if the Commerce Minister strives to take powers with one hand it may be nullified by the other through lack of requisite type of personnel and officers. If these factories of industrial activity, huge factories which decide the welfare of the nation, which build the foundations of a welfare State, are left to the tender mercises of officers who are not honest—I speak with a sense of responsibility—officers who are not satisfied with their Cadillacs and Buicks and luxury cars, who have not attuned themselves to the rigours of a welfare State, who have not known the austerities of our national life, who not being satisfied with the bank accounts here have had secret accounts abroad—outside the borders of the land—then in that case I shudder to know what will happen. And these powers, with which Government is being vested with are taken, are fairly drastic.

Industrial concerns should be taken over at one stroke of the pen wherein we find that the funds are being fraudulently utilised. Let us consider this. Fifteen days or a month ago Government sent out an auditor to one of the largest groups of textile mills in Bombay—I will not name them—because the activities of their Directors were such that they manipulated money this way and that way. Overnight their bank accounts were swollen. I have said on a former occasion that we have blackmarketeers amongst us who are ready to snatch away stars from the firmament through the instrument of their cheque book. The paper which claims to be the largest paper in Asia was bought with accounts being manipulated. The accounts of two industrial concerns, two textile mills, in Bombay were manipulated and the funds were removed almost overnight after the concerns were purchased through the instrumentality of managing agencies. Here we have a paper, run in this fashion, claiming to be the biggest in Asia. It was bought for over a crore and thirty lakhs of rupees, and the sum came from two textile concerns. And one at least has disappeared in seven years. I am not able to state exactly. However what happens to the shareholders?

Government has come none too soon in taking such powers. But I am afraid whether these powers will be utilised in our interest, whether these will be administered in our interest by officers who have healthily entrenched themselves in our land. This land of Hindustan, this land of great philosophy, this land where men have thrown their wealth in the dust bin and gone to lead the lives of Sanyasis—cannot this land produce

[Shri Joachim Alva.]

men who can man our services with their sterling character—I ask in all seriousness. We can produce such men. The revolution went on. But we put all our trust in the Indian Civil Service which does not today possess the character and reputation it possessed ten or fifteen years ago. Our men from the universities who went abroad and learnt and obtained degrees have got accustomed to a life of ease; they are not satisfied with even four thousand rupees per mensem and are looking beyond privately or otherwise. They are not attuned to the rigours of a new welfare State which would have to see perhaps hard days yet to come in the interests of our population. These people are not satisfied with Cadillacs and other luxury cars with posh, luxurious flats in big cities. The Commerce Minister will have to seriously consider whether the officials in his department, which is a very big department, attune themselves to the times. For one breath of a scandal in a trade officer in England, one secret leaking out, fired a British Chancellor of Exchequer, the late Mr. Thomas, out of office. Just because a secret had leaked out, another Chancellor of the Exchequer, Dr. Hugh Dalton had to resign in England. Why can we not have that kind of public life?

Shri T. T. Krishnamachari: If my hon. friend wants me to resign I have no objection.

Shri Joachim Alva: I have said nothing about him. Why can we not build up such men not only above but also down the rungs of the hierarchy?

As I was saying, the largest group of textile mills in Bombay have been taken in hand by the Central auditor. For buying the paper *Times of India* the funds of two textile mills were manipulated. Government will have to open its eyes where funds of industrial concerns are used for non-industrial activity, for instance whether teleprinters in a news agency are used for speculation. If Government does not take time by the forelook and put things right all channels of public activity will be fouled by people who want to utilise them for their own nefarious practices.

I find one objectionable item here in the schedule, soap. I do not know why the Commerce Ministry has introduced this idea of soap. We have two gigantic concerns, Lever Brothers and Tatas. Between them they have smashed away all the indigenous, real Indian concerns of soap manufacture. We shall be content with soap-nuts to wash our face or body! We can keep our body clean and we, Indians, know how to keep our body clean from times immemorial. But these gigantic concerns are flaunted today to stifle real Indian concerns. Lever Brothers, a gigantic concern which puts its advertising money down in all newspapers, papers which have the worst interests of India, have built themselves up to such an extent today that hundreds of small indigenous soap concerns have gone to the wall. Indian concerns cannot live today in the face of such a large competition, commanding funds from all over the world.

The same is the case with the cigarette factories. The Imperial Tobacco Company has established such a business that it is trying to buy up the last Indian concern, the Char Minar Cigarette Factory in Hyderabad, so that they may have a complete monopoly of the trade.

The Commerce Minister should see that he is not only vested with these powers but he should see that he does not allow a single foreign firm to drive out Indian firms which are trying to carry on with great difficulty, with feeble funds, which however are trying to live up to their reputation. These foreign concerns fattening on our land and reaping enormous profit with secret funds at their disposal and secret agency, or which perhaps gloat in setting up one Indian industry against another, have connections with industrial concerns in Pakistan so that the partition of the land really benefits them; so that they can walk here as well as there. We should carefully watch their activities so that in the next ten years we shall be able to build up our strength.

One more point before I sit down. The Commerce Minister should not merely be satisfied with these powers or by administering these powers through a group of officers. He shall have to see to our industrial life also. In one direction he becomes strong, in the second he becomes stronger, but in the third sector he may be left ineffective. Let me quote examples of petroleum and their product. When I talk of steel, we are distressed to know that we produce only 1 million tons of steel. Poland, after the ravages of the war, battered, raped and assaulted by Nazi Germany and overwhelmed by Russia, is today producing more than 5 million tons of steel. Russia under the Stalin Plan has annually produced 60 million tons of steel; at one time even beating the record of America. Today we are content with producing 1 million tons of steel. Let us go all out and with the help of the Japanese or the German technicians increase our steel manufacturing capacity so that we may have steel enough for our motor-cars, automobiles. planes and all kinds of small and big industrial activity. Unless we establish more steel plants in the country whether it be through the Japanese agency or through the German agency, we shall let vested interests come in our way, without any hope of building up a future. We shall be a nation very weak and very ineffective in war and not strong enough in peace, to compete in the markets of the world.

Now, I come to petroleum. I do not know why the agreement between the Petroleum Refinery Companies and the Government of India was not laid on the Table of the House. They say, "we shall tap all oil, refine all oil, but we shall not be responsible for the subsidiary industries." Only yesterday we read in the papers that the United Kingdom and the Western powers want to produce sulphur out of petroleum gas. Why shall we not produce sulphur in our country from petroleum gas? They offer to tap all our oil and refine all our oil. Sulphur is a very important commodity in times of war. Unfortunately, sulphur is also found in our country. Even in my little constituency of North Canara District of the Bombay State sulphur has been found. But, Government has not cared to tap enough of it. They say, it is not available on a commercial scale. So, Government has not cared to develop our sulphur production but allowed it to rot. Today, the petroleum companies have come in. It is our bounden duty to see that sulphur is produced from petroleum gas as the NATO powers and the Western powers have sought to do.

I have nothing more to say except to stress the point again that we should not be satisfied merely with the instrument that the Commerce and Industry Minister is forging so that he may give a lift to the bad companies, or the black-marketeers who have overrun Bombay and Calcutta; the jute lords and the textile lords who want to hold the Indian nation under their thumb, control or hegemony. The time has come when the foundations of a secular and truly welfare State will have to be laid. We represent millions of people here. We do not represent any class. We do not represent any group. The Federation of Indian Chambers of Commerce and Industry in their pamphlet issued 2 years ago in effect said that ten thousand 'golden' families in this country were responsible for two-thirds of the taxes of the land and that they were responsible for two-thirds of the expenditure, not only the items of civil expenditure, but also defence expenditure. But, they did not say how much of national wealth they had given, how much of profit they had amassed, and how much the welfare of the people they had at heart. Their only claim is the enormous sums of money they claim to have paid into the exchequer. The time has come when the provisions of this Bill will have to be followed by larger powers and a bigger Bill when every industrial undertaking shall have to come under the axe of the Government. We should not be sorry that we have to take charge of a particular industry. We have to see what kind of personnel we shall produce, what quality of men shall handle our industries and what calibre will be displayed by officers who will be put in charge of the management of the industries.

Mr. Chairman: I am sorry I have not been able to accommodate all the hon. Members who wanted to speak, for want of time. But, they can take their chance when the Bill is discussed clause by clause tomorrow. I will now call the hon. Minister for Commerce and Industry to reply.

Shri T. T. Krishnamachari: I have listened to the various speeches made on this motion of mine. I believe the two hon. Members who spoke before me, Mr. V. B. Gandhi, and my hon. friend on my right Mr. Gadgil, have more or less met all the points that have been raised on the floor of the House and the points which are sought to be raised by means of amendments. I must express my gratitude to these hon. gentlemen for having made my task very light.

My hon. friend Mr. Sodhia who opened the discussion would give us no quarter. He does not apparently like any method of control or regulation. If that is his view, I am sorry to say that I am not able in any way to accommodate him. After all, hon. Members here have said and we believe in a Plan. We feel that without a planned economy, no progress is possible, in this country. There can be no plan or planned economy without all the means of production being

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controlled by the Government. It may be that we are not going as far as owning the means of production. But, we certainly do not yield to anybody in the necessity for controlling the means of production, whether it be primary producers, whether it be manufacturers or whether it be people who sell what is being manufactured or what is produced to the consuming public. That, I think, is the attitude of the Government, which is fairly well-known. If hon. Members do not like it and what follows therefrom, namely, the methods of control that Government uses, we can only say that hon. Members are a trifle out of date.

Mr. Basu more or less reiterated whatever he has said in his minute of dissent, which I have dealt with at the beginning. I have no doubt that he will have another opportunity of speaking when he moves the amendment which he has tabled or which he proposes to table. As I said we can go with him up to a point, but not all the way. I have made my position very clear,—that is, the position of the Government—that in this particular measure we seek to control all means of production. We do not seek to nationalise them. The idea of taking over an industry, as my hon. friend on my right very rightly pointed out is that if in the public interests it is necessary to take over a unit which is being mismanaged, we shall do so. All that I have sought to impress upon the House is that if the public interests demand immediate action, we should not be fettered by any provisions which require prior consultation and all the delay that goes with it, which prevent us from taking that action that is necessary.

Of course, who is to judge 'public interest'? Mr. Bansal wants me to prove that there is an emergency. He says, even if you cannot prove it, put in a declaration in the body of the Bill that you only come in in times of emergency and that you are the deciding person whether it is an emergency or not. Then, what is the object of putting it? I have put in the wording that the public should waive the right that is given to them under the various provisions of the original Act, namely, consulting the Industries Advisory Council, or giving notice to particular interests, only in cases where there is an emergency.

[Mr. Deputy-Speaker *in the Chair*]

He says, yes; he will not agree to the word emergency because you will have to prove an emergency; he would like me merely to say that Government is the sole arbiter, sole judge whether it is an emergency or not. That is precisely what I am saying. I have to explain to this House whatever action I take and that I have done the proper thing. Otherwise, the House can always hold me or my successor or any Member of the Cabinet who may be exercising these powers, to ransom to prove an emergency. We cannot merely do so because there is an industrialist whose face I do not like or who in his General body meeting has criticised me violently. That is not the fact at all. If he criticises me, I know that I am here living in a glass house, and if they throw stones, the point is, the glass house will go. We realise that. The fact is that there must be public interest, and the public interest must be proved. Government cannot afford to take any action without examining all the facets of the problem. Therefore, the point raised by my hon. friend Mr. Bansal is not quite correct. I have mentioned on the floor of the House that we would be very careful in taking action under the provisions of clause 18A and all that follows. If it is possible that we can remedy the situation by giving directions to the owners and managers of a particular institution, we will do so. But it does not give me any pleasure to take up the responsibility to manage any institution which would otherwise be properly run and where production will be maintained, labour will be kept employed and the public interest will be served.

I am grateful, as I said, to the speech of the hon. Member Mr. Gandhi who had reviewed the entire position in his own inimitable manner. The point that he raised was about the Schedule. The Schedule, he said, is a sort of basket—he did not say "waste paper basket"; for that I am grateful—containing all the things, big and small, all kinds of fish. Well, he is probably right. When he is basing his criticism on facts, I cannot dispute it. True, the industries mentioned there are of different degrees of importance to the economy of the country, and perhaps, as my hon. friend the last speaker mentioned, soap is not important from his point of view.

Then, Mr. Gandhi suggested that there must be some qualification. You might say Rs. 1 crore in the case of iron and steel industry; Rs. 1 lakh in the case of the soap industry, perhaps. Well, it is no doubt true that some such qualification can be put in if it is possible, but then he is not quite right when he says that I can put in any qualification like Rs. 1 crore for the iron and steel industry, because all the steel rolling mills with very small capital come within the mischief of this Act; because I have got to give them billets, and I have got to fix the price at which they can sell. Sometimes I have to subsidise them even with regard to price, but the whole control system is operating in such a way that every small unit has to be brought in, so that ultimately the consumer may get one labelled price, or a series of prices which is the same in particular areas. It is, therefore, not possible for me to ignore the small unit there. The idea is not so much of my supervising what they do, but merely to lay down broad conditions under which they will operate, the prices they will quote, the type of raw material they will buy, and wherefrom they will buy. And in the Iron and Steel control, our control goes even further, to the stock-holder. So, while undoubtedly conditions vary from industry to industry, the degree of importance also varies, it seems that before long the Schedule has to expand rather than contract. And I do not mind taking the House into my confidence and mentioning here what happened in the Select Committee. Several hon. Members who felt that the Schedule has to expand rather than contract suggested why should Government come every time for the inclusion of a few items in the Schedule to the House, why should not they put it in the Schedule and inform the House of having done so. There is a legal difficulty because the industries the Centre can control are only the industries which Parliament has by law declared to be of national importance, and therefore, every addition to the Schedule has to be by means of law. It is quite conceivable, that before long all the major industries would come within the scope of the mischief of this particular Act.

My hon. friend Mr. Gurupadaswamy spoke in support of the amendment that he has tabled which I dealt with when I moved the motion for consideration. And he has uttered a warning. He has uttered so many warnings that I do not know which warning I should take into account. Anyway, all warnings I will take into account and shall bear them in mind. Of course, his ideas and my ideas do not really go hand in hand because I have disclaimed all intention of making use of this particular measure for nationalisation purposes, and he goes on harping that we should. He and my hon. friend Mr. Damodara Menon expressed views which are more or less identical. They belong to one Party. They emphasized on this aspect of nationalisation. What is the use of my protesting that this Bill should not be used for purposes of nationalisation? It may be that taking over of industries and managing them might provide experience for Government or semi-Government personnel and it might be used ultimately in nationalised industries. It might help very indirectly, perhaps, nationalisation by training personnel for that purpose, but otherwise I have really no intention of using this for purposes of nationalisation.

Shri Damodara Menon: I did not say this measure must be used for nationalisation.

Shri T. T. Krishnamachari: It is a question of emphasis. I think Mr. Gurupadaswamy was more emphatic. My hon. friend is older and more experienced, and is less emphatic.

Then I come to Mr. Bansal. My friend Mr. Bansal is certainly labouring under a serious handicap. He wants to be nice and pleasant to Government, and at the same time he wants to be nice and pleasant to some other interest as well. And I should say that my sympathies are with him when I find him in the danger of falling rather abruptly between two stools. He suggests trust begets trust and confidence begets confidence. I hope, Sir, you would excuse me being a little reminiscential. I think somewhere in 1920 when I was a student in college, when discussing the Montague-Chelmsford Reforms, the position of responsibility under those reforms was being discussed by a person no less than the late lamented Rt. hon. V. S. Srinivasa Sastri. He did urge upon the students this particular phrase: "Trust begets trust, and confidence begets confidence." He suggested that we must have some trust in the *bona fides* of the British in this particular matter. Of course, we all jeered him and he said: "Yes, I appreciate what you mean, but I do not approve of what you do". I should say the same thing to my friend Mr. Bansal. I appreciate all that the interests which he represents are saying about this Bill, but I do not approve of what they do.

I do not know which hon. Member did say that Government would be landed with weaklings by taking them over. I have no intention of being landed with lame ducks. It often happens, and it has been suggested to me: "This unit is not working very well. Why do you not give notice under Section 15?" I have a preliminary survey made, and if it is any use my taking it over and I can run it, then I probably go further ahead, but if it is something which has got to be scrapped, then there is

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no point in my landing Government with a lot of lame ducks.

Then, there was the speech of my hon. friend Shri Gadgil. There is not much I could say about it, because he has taken up, as I said, part of my work and elaborated the position with regard to this particular amending measure, and regarding the policy Government should follow. I shall certainly bear in mind what he has said, that in regard to whatever action Government takes under this measure the guiding factor must be public interest. And if that condition is fulfilled, I do not think anybody need be afraid of what the Government would do under this particular measure. He has also dealt with the evidence of the vested interests who came and met the Select Committee and he has provided the necessary answer.

Then, I come to my hon. friend Mr. T. N. Singh—I am sorry I excluded him from this category of my valiant supporters, *viz.*, Mr. Gandhi and Mr. Gadgil. I think I must express my gratitude and admiration to my hon. friend Mr. T. N. Singh for saying things which I would be afraid to say myself, on this question of the bogey of foreign capital. After all, we are an independent country. We would be able to allow people to come in or not to come in. And why should we raise this question of foreign capital now and again? If it is necessary for it to be used, as I have said in my speech in reply to the Demands, well, we will use it. And actually, our own Indian capitalists who say "Do not allow foreign capital to come in", are not entitled to say so because when a person objects, equity demands that his hands must be clean. If these people have co-operated and then they say foreign capital should not come in, as my hon. friend Mr. T. N. Singh pointed out, they have a right to do so. But since they have not come forward with the necessary amount of cooperation, my hon. friend is certainly right in saying that these people have no right to tell, "Do not use foreign capital." Actually, to use his own words and repeat the question which he asked, "Does big business mean business?" Now, if they mean business, they need not object to this particular measure, because in this Bill we do not propose to tie up their hands in any way.

1 P.M.

Shri Sarangadhar Das, my good friend, unfortunately has said nothing to which I could reply. He dealt with the sugar industry, and the sugar industry is one in which I am a junior partner. The industry is mainly managed by the Food and Agriculture Ministry, because they control the sugar part of it. I only come in, as I said, as a junior partner. Anyway, we are not discussing the sugar industry today.

I am sorry my hon. friend Prof. Sharma is not here. He tried to castigate me for not paying him attention. Very possibly, he was not loud enough for me to hear him. He accused me of being a poet. I do not think I ever attempted it. He did mention some time when I was speaking here that I did not like English poetry. As a Professor of English, he took exception to it. He asked me what was the type of poetry which I disliked, and I had to say that I disliked practically everything. But I did not accuse him of being a poet, because, as I have said, I do not like poets and he is not certainly one of them. He said something about the personnel of the Industries Advisory Council, and he wanted academic people to be put in. I have great respect for academic talent. I have myself been a book-worm in my own way, but I do not think that academic people would admit me into their world. So, each thing has to be in its own place. We have one distinguished academician in the Industries Advisory Council, Prof. C. N. Vakil. But if we fill up the Council with academic people only, the Council would be academic and not practical. We have to have a common pool of academic, practical, brutally practical, cooperative, non-cooperative and all sorts of people, and I can tell the House that my Industries Advisory Council is a miniature of the political and academic background that exists in this country.

My hon. friend, Mr. Alva, is too fast for my understanding. The trouble is, I did not understand what he said, and I am doubtful if he understood what he said himself.

Shri Joachim Alva: This is the best way of evading the issue.

Shri T. T. Krishnamachari: No. I did not object to what he said at that time. It is not very proper in this House to deal with reports and surmises about what is happening outside: somebody buying a newspaper, using some money etc. These are very grave charges, and even a Member of Parliament cannot afford to make charges unless he can substantiate them, and it is wrong on the part of the hon. Member to use the knowledge that he has acquired in the saloons of Bombay to be aired in this House, and talk about civilians etc. There have been cases of civilians, and unfortunately cases of public men. There have been, unfortunately, cases of Members of Parliament too. We all belong to one society, and we have black sheep everywhere. I am sorry that my hon. friend needlessly turned his powerful tongue at a number of people who are not here to defend themselves and made allegations which are merely surmises and have no basis in fact. I do not think that I should deal with anything that he said beyond making this remark.

Shri Joachim Alva: Has the hon. Minister not read the companies' annual reports? They come to me.

Shri T. T. Krishnamachari: I have read them.

Shri Joachim Alva: I have said nothing what is outside the reports of the companies and what has appeared in the newspapers.

Shri T. T. Krishnamachari: He is a newspaperman, and he probably thinks that whatever we say here is journalese. Anyhow, that is by the way, and I am not going to say anything more about it.

Finally, to wind up, I think I am called upon again to clear the atmosphere, because though there have not been many Members in this House to speak on the fears expressed by the concerned interests, the concerned interests have been fairly loud. Leading articles in newspapers have appeared, representing their point of view. I do not take exception to them. It is a point of view which has to be presented. But then, the concerned interests in this particular matter have a way of thinking which is not dissimilar to that of a nagging wife. Whatever I do, my nagging wife will go on nagging, and my relationship with regard to the concerned interests in this matter is that of the husband and the nagging wife. If I do not bring a Bill, they say, "Oh, you have done nothing." If I bring a Bill containing some provisions which please them, they say, "Oh, it does not go far enough." We cannot change human nature. They must go on nagging and I must go on putting up with it. That is the relative position in which we now exist. I may only mention that I am not more angry or dissatisfied than a husband who, because the laws of divorce did not operate in the olden days, had to put up with a nagging wife. I accept it as my inevitable fate.

Shri B. S. Murthy: That shows your inability to manage your wife.

Shri T. T. Krishnamachari: Well, there are two ways of managing one's wife. I do not think my hon. friend knows more about it than I do, because I have lived a little longer in this world than my hon. friend. One very good way to deal with a nagging wife is to keep silent, and you can manage her very well, and this shall be my attitude towards the concerned interests in this particular case.

Mr. Deputy-Speaker: Should we have a dissertation on family life?

Shri T. T. Krishnamachari: No, Sir, I am not speaking in the sense of anything personal, because I have not got a wife.

The other matter is: what am I going to do about it, and what is Government going to do about it? I would like to re-state the position. I do not propose to, sort of, ride hard. I am sorry I am borrowing the habit of an illustrious leader coming from my province, *viz.* using similes, but I think that it is sometimes good to use a simile. I do not propose to ride hard. My reins will be very loose, and I hope that there will be no opportunity for pulling up the reins. If the units which operate under this Act are managed well, I do not propose to use these provisions. But, at the same time, I would not like them to run away with the bit between their teeth, because if I ride hard, I know I will make them hard-worked and I will only create opposition. But, as I said, I certainly would not like them to run away with the bit between their teeth. So long as they know that there are the reins in the hands of somebody who holds them, and so long as they are prepared to take the proper path and not stumble, I am sure there will be no need for the provisions of this particular measure contained in Sections 18A and those that follow.

In regard to price control, about which also the vested interests have complained, as I have said before, these are merely attempts at codification of existing enactments, and I do not yield in regard to the necessity for price control. I think that some kind of price control will be necessary more and more, as the time goes on. Hon. Members would have seen that we have taken power not merely to control prices in regard to goods produced in the country, but in regard to analogous or similar goods that have been imported from abroad. But it may be that somebody would say that we have no right under the provisions of the Constitution to control those

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prices. I say that I have. After all, when a Constitution is framed and certain powers are given, it also implies that incidental and ancillary powers have got to be given to Government. There are enough decisions in the United States of America to prove that merely an enumeration of power does not mean an enumeration of the details that follow therefrom, and if goods are manufactured in this country and the same type of goods are imported, I may have to have a pool in which I can have powers to control the prices of imported goods. So, so far as price control is concerned, I am fairly clear in my mind that the control will operate in this, unless goods are in such plenty that there is no need for controls. I do not propose to give any assurance that price control will not operate. But in regard to the other provisions, I am willing to say once again that if I am not called upon to use this power, I shall not do so. If the mismanagement is not so pronounced that I can consult the Industries Advisory Council, I shall certainly do so. If the mismanagement is only of a very minor importance, or is not very important, or is not of a very dire nature, and I can give directions to a unit, I shall give directions to that unit. But we do propose to use this Act. It is not going to be a 'dead letter' on the Statute-book. Whether we would have occasion to use it depends on the interests concerned, not on Government. That is all I have to say.

Mr. Deputy-Speaker: The question is:

> "That the Bill to amend the Industries (Development and Regulation) Act, 1951, as reported by the Select Committee be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: Now, there are no amendments to clauses 2 to 5.

Shri Jhunjhunwala (Bhagalpur Central): Sir, I want to speak. I gave notice of an amendment today on clause 3. I was given to understand that the clauses would be taken up tomorrow.

Mr. Deputy-Speaker: There is time now.

Shri Jhunjhunwala: Only three minutes. If it was postponed, some more amendments could have been given also.

Shri B. S. Murthy: We better adjourn today, Sir.

Mr. Deputy-Speaker: All right. Secretary will now read a message from the Council of States.

MESSAGES FROM THE COUNCIL OF STATES.

Secretary: Sir, I have to report the following two messages received from the Secretary of the Council of States:—

> "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to return herewith the Indian Income-tax (Amendment) Bill, 1952, which was passed by the House of the People at its sitting held on the 25th April 1953, and transmitted to the Council of States for its recommendations and to state that the Council has no recommendations to make to the House of the People in regard to the said Bill".

Shri K. K. Basu: Why this trouble over this Bill?

Shri Nambiar: That famous Bill.

Shri Gadgil: So the Money Bill is passed.

Secretary:

> "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to inform the House of the People that the Council of States at its sitting held on the 1st May 1953, agreed without any amendment to the Indian Merchant Shipping (Amendment) Bill, 1952, which was passed by the House of the People at its sitting held on the 27th April 1953".

Mr. Deputy-Speaker: The House will now stand adjourned till 8-15 A.M. tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Tuesday, the 5th May 1953.